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NEWS SUMMARY

GENERAL

'Munich deaths' Arab killed

A Palestinian commando leader, listed by the Israelis as the mastermind of the 1972 "Munich massacre," was killed last night along with four of his aides when a radio-controlled bomb exploded in Moslem West Beirut.

Abu Hassan was in charge of personal security for PLO chairman Yasser Arafat, and was blamed by Israel for the Olympic Games attack at Munich, in which 11 Israeli team members were killed.

The Fatah Commando Organisation said the bomb exploded as Abu Hassan and his aides were driving by. At least two more people were killed by the blast. Page 4

Shah in Morocco

The Shah of Iran arrived in Marrakesh, Morocco for talks with King Hassan. Student supporters of Ayatollah Khomeini in Bombay seized the Iranian Consulate. They said they would release their five hostages today. Khomeini rejects envoy, Page 4

Italy talks

Italy's Christian Democrats start crucial talks today with other party leaders in a bid to stop the break-up of the ruling coalition. Page 2

Granada damages

Granada Television company and four other plaintiffs were awarded HK$ 500,000 (£[illegible]) over an article in the [illegible] Daily Star, which [illegible] a documentary on labour conditions there was Soviet-financed.

Phone tapping

Phone tapping by the Government and police was attacked as "unlawful" in the High Court by Mr. Colin Ross-Munro, QC. He was appearing for Surrey antiques dealer James Malone, seeking an injunction against the Metropolitan Police Commisioner to stop police tapping his telephone.

Keegan agrees

England soccer international Kevin Keegan has agreed a further one-year contract with Hamburg, after the German club said he could play for America's Washington Diplomats this summer.

Killer hunted

Detectives hunting the killer of Lorraine Holt, 3, whose mutilated body was found on school fields near Derby, were using heating equipment to clear snow from the immediate area.

Eric goes solo

Comedian Eric Morecambe, admitted to a St. Albans hospital after feeling ill last Friday, has been moved [illegible] a room by himself. His wife Joan said his sense of fun with other patients and visitors was stopping him having the rest he needed.

Youth get life

An 18-year-old youth, who admitted causing £364,000 damage by arson to a school and other property in Prescot, Lancashire, was jailed for life at Liverpool Crown Court.

Briefly . . .

Major brewers plan to press ahead with beer price rises of up to 3p a pint.

International team of scientists plans to make the rain in Spain fall mainly on the plain of Valladolid in rainfall control tests.

First shipment of Coca-Cola to China will be loaded on to a Canton-bound train from Hong Kong today.

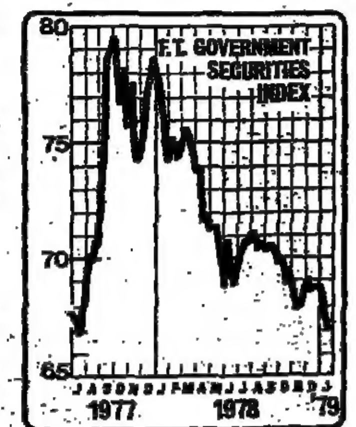
West German tourist and a Kenyan were shot dead by robbers near Mount Kenya.

BUSINESS

Equities down 5.8; Gilts fall

● EQUITIES fell in the absence of buyers for leading shares, and on slight early selling, the FT ordinary index fell 5.8 to 473.1. Gold shares reacted to the rise in bullion price and the Gold Mines index put on 5.2 to 159.5, making a 22.8 gain in the last six trading days.

● GILTS reacted to fears of inflation implicit in the latest pay demands and the Government Securities index fell 0.37 to 67.00, its lowest since July 22, 1977.



● STERLING fell 50 points to $1.9985 and its trade-weighted index fell to 63.2 (63.4). The dollar's depreciation was unchanged at 9.0 per cent.

● GOLD rose $4½ to $234½ in London.

● COPPER prices rose to a 20-month high on the LME on falls in warehouse stocks and rises in U.S. domestic prices. Cash wirebars closed [illegible] at £852.75 a tonne. Page 31

● WALL STREET was 2.08 down at 835.41 just before the close.

● WEST GERMANY expects an increase in real gross domestic product of 4 per cent in 1979, with a modest fall in unemployment rate to 4 per cent and a 6 per cent rise in wages. Page 2

● UK INDUSTRY'S financial position deteriorated last year as the rise in profits dropped behind the increase in spending on fixed assets and purchase of stocks and raw materials. Central Statistical Office figures show that company receipts in the six months to the end of September rose £210m to £4.86bn compared with the previous six months while expenditure on fixed assets and stocks rose by £640m to £6.67bn, giving a rise of £1.8bn in the financial deficit of industry. Back Page

● PACE of economic growth is now slackening, the latest official indicators appear to show. Central Statistical Office indicators suggest that growth is proceeding at a slower rate than earlier last year, and is likely to slow still further. Page 6

● LONDON clearing banks are to abandon the special "Leach-Lawson" accounting rules in favour of new accounting policies to be applied to the clearing bank 1978 accounts, to be published over the next two months. Back Page

● FRENCH banks and the French export credits organisation, Coface, are arranging a $1.05bn financial package for Sonatrach, Algeria's state-owned oil and gas company. The finance is for building a third gas liquefaction plant in Western Algeria, and represents the first large contract won by French interests in over two years. Back Page

COMPANIES

● DUFAY BITUMASTIC has asked for a Stock Exchange investigation into recent dealings in its shares, following a rise in its share price last week on the back of bid speculation. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Abercom Invs.	116	+ 11
Alexanders Discount	252	+ 4
Capseals	45	+ 4
Gnome Photo	64	+ 5
Imry	408	+ 5
Pawson (W. L.)	73	+ 3
Small & Tidmas	55	+ 10
Strong & Fisher	74	+ 4
Union Discount	317	+ 7
Wigfall (H.)	261	+ 9
Kuala Kepong	88	+ 4
Cons. Gold Fields	192	+ 5
Elandsrand	262	+ 15
Palabora	550	+ 30
Vogels	75	+ 5
Welkom	292	+ 23

FALLS		
Treas. 13pc 1990	£97⅞	— ⅞
Treas. 12¼pc '03-05	£92½	— ⅞
Ash Spinning	104	— 5
Assoc. Fisheries	40	— 3
Averys	221	— 9
Beecham	613	— 10
Brown (J.)	360	— 8
Dufay Bitumastic	39	— 6
Dunlop	64	— 3
Eagle Star	125	— 5
GEC	322	— 5
Heron Motor	119	— 4
Highland Distillers	86	— 6
Lloyds Bank	290	— 6
Matthews Wrightson	170	— 6
Midland Bank	367	— 11
Morris & Blakey	152	— 8
Racal Elect.	344	— 6
Royal Insurance	345	— 8
Tate & Lyle	184	— 4
East Daggafontein	19	— 8

Monetary targets must be met, Richardson says

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The Government must adhere strictly to its money-supply target and to fiscal restraint in spite of further inflationary pressures, Mr. Gordon Richardson, Governor of the Bank of England, said last night.

He made the most explicit statement so far of the implications of the level of pay claims for the economy and for employment, and argued that monetary targets should not be relaxed to accommodate those pressures.

Mr. Richardson was speaking at the dinner of the Institute of Bankers in Scotland. He emphasised the large contribution made to the restoration of financial stability by restraint of money supply within a published target.

That with appropriate fiscal restraint, had, he said, "gained in importance in the present climate. Despite the addition to inflationary pressure that is now in prospect, there must be no loss of resolve in adhering to these now, when they are most needed."

The clear implication of Mr. Richardson's remarks is not only that there is no room for relaxation of fiscal policy in the Budget but that the Government should ensure that fiscal policy, through the level of taxes and public spending, fully supports monetary objectives.

Senior Ministers have generally prefered to be less explicit on the issue although yesterday Mr. Joel Barnett, Chief Secretary to the Treasury, said: "Excessive settlements in the public sector must mean less room for public spending on other things."

He emphasised the Government's intention not to finance inflation and to stick to its monetary targets.

Mr. Richardson gave a warning in his speech that companies are generally in no position to absorb further sharp increases in labour costs.

Without mentioning the Government's proposals to strengthen the powers of the Price Commission, he emphasised that "the unavoidable consequence of action designed to prevent such excessive cost rises from being passed on in higher prices will be some forced curtailment of profits, production and employment."

It was not a "central banker's prejudice or apprehension but a fact of economic arithmetic that a rise of some 2 to 3 per cent in national output accompanied by a rise of 10, 12 or 14 per cent in earnings must increase the cost of that output, causing accelerating inflation or increased unemployment or some combination of these evils."

Mr. Richardson maintained that no one should be under any illusion that there could be any long-term and durable resolution of the present crisis that did not involve "substantial change in the structure of our pay bargaining."

In his speech, the Governor also discussed the use of North Sea oil. "The contribution of some £5bn made by North Sea oil to Gross Domestic Product over the past four years has been very largely matched by the strong growth in personal consumption recorded last year."

However: "Why cannot in my view regard the pattern of demand in 1978, and only a marginal surplus on the current account of our balance of payments, with much satisfaction."

Rail strike call for Thursday

Another national rail strike has been called for Thursday by ASLEF, the train driver's union, Back Page.

Lorry strike effects, Pages 8 and 9. Parliament, Page 10. Editorial Comment, Page 18.

Public employees' strike to go on in some areas

BY PAULINE CLARK AND ALAN PIKE

THE WIDESPREAD disruption causedo by yesterday's one-day strike of public-sector manual workers will continue indefinitely in some areas.

In Scotland, 75,000 General and Municipal Workers' Union members in local government and the Health Service declared that they favoured all-out strike action if the next meetings on their pay claim produced unsatisfactory results.

As hundreds of thousands of local authority and health service workers staged strikes and demonstrations throughout the country, their unions announced the second phase of the campaign for minimum earnings of £60 a week.

All 3,000 manual staff of the London Borough of Southwark have been instructed to remain on indefinite official strike, and the unions say that "all local government services will be brought to an immediate halt."

This is the biggest single stoppage so far officially sanctioned by the unions. But it is expected that some staff in several other London boroughs will remain on strike following yesterday's day of action. Similar decisions are likely to be taken at councils and municipal airports elsewhere.

There is uncertainty whether ambulancemen in some parts of the country will resume handling emergency calls today.

Despite efforts by shop stewards to persuade their members to respond to emergency calls, many London ambulance stations were completely closed and the Army was called in.

In the West Midlands ambulance crews refused to attend emergencies, and cover was provided by the police and voluntary services.

Mr. David Ennals, Social Services Secretary, warned last night that the ambulancemen's case would "not be strengthened by some of them adopting what will be seen as a callous attitude to the lives and health of their fellow-men."

There was a danger that industrial action by ambulancemen and other Health Service workers would continue, and only the innocent would suffer if Health Service workers allowed their anger to run out of control.

The TUC Finance and General Purposes Committee added its own attempt to persuade the ambulance crews to deal with emergency calls. It endorsed a statement from Mr. Len Murray, TUC general secretary, declaring that it was good trade union practice to provide

Continued on Back Page

Egyptians to build VW Beetle

BY GUY HAWTIN IN FRANKFURT

EGYPT IS to build Volkswagen's Beetle model under a licensing agreement concluded yesterday after 1½ years negotiation.

VW will not only provide the Egyptians with equipment and technology for the plant, it will also be a partner in the Egyptian company that will produce the vehicles.

The announcement is a major boost to President Anwar Sadat's efforts to attract foreign investment to restore his country's war-battered economy.

Volkswagen's Wolfsburg headquarters said total investment in the project would be between DM 50m and DM 60m ($27.2m and $32.8m).

Production at the Egyptian plant will start at 10,000 Beetles a year. It is a relatively limited output compared with VW's American plant which has a capacity of 800 units a day.

The first year's output at the plant will equal only one day's production worldwide but VW is taking a longer-term view, believing that Egypt is potentially a very large market. The plant will greatly increase the group's sales there, which last year amounted to 800 small commercial vehicles and 450 cars.

Talks with the Egyptians started after a visit by senior German industrialists to the country two-and-a-half years ago. Negotiations started in earnest about a year later.

Agreement for the Egyptians to produce the Beetle does not rule out similar deals planned with Algeria and Iraq. Nor does the contract adversely affect the chances of a deal with Iran, the company said.

VW said the Egyptians may export part of their Beetle output. It emphasised that the agreement covered only private cars and said that production of a second VW model in Egypt had not been ruled out.

Production of the Beetle in West Germany was halted in January, 1978, but more than 1,000 a day are still being produced, mostly in Brazil and Mexico. Other countries where the group has factories include Nigeria, South Africa and Indonesia.

CONTENTS OF TODAY'S ISSUE

FEATURES

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Labour tries for new social pact

BY RICHARD EVANS

MINISTERS and union leaders went all out yesterday for a credible alternative to rigid incomes policy, to restore the social contract in a bid to retrieve Labour's electoral chances.

At the same time the TUC invited leaders of the Confederation of British Industry to discuss collective bargaining reforms for the longer term.

At one of their regular dinners last night they asked the CBI whether it would join in some forum for an annual review of the economy.

This ambitious attempt to involve the CBI is part of a plan to develop collective bargaining at national level as a substitute for imposed or voluntary pay policies.

With the present 5 per cent pay limit in ruins, the TUC-Labour Party liaison committee decided at Congress House to seek a new agreement in a month's time on collective bargaining, including relationship of public- and private-sector pay levels.

The agreement would cover prices, investment, industrial strategy, the unions' own role, and their relationship with the TUC, is to give the Government some badly needed reinforcements for its election manifesto.

After the liaison committee meeting the Prime Minister stressed that he had found "a strong desire on the part of trade union leaders to reach an agreement with the Government and to find a way through the present difficulties.

"They do recognise that national policy must be designed to benefit the nationa as a whole and not one section, however large or important.

"There is a recognition that excessive settlements will only be achieved at the expense of others," Mr. Callaghan said at the Granada Television "What the Papers Say" award lunch at the Savoy.

Faced with growing tensions within the Labour Party Ministers seemed to intend to move fairly quickly in the next few weeks.

Informal links wil be established between Mr. Denis Healey, Chancellor of the Excheuer, and other economic Ministers and TUC leaders. Mr. Callaghan is unlikely to play an active role initially.

The Prime Minister said in his Savoy speech that Ministers would continue their talks patiently to find a common approach with the unions, as nothing could relieve the Government of its responsibilities.

"We have carried them out and wil continue to do so in every field, constitutional, economic, fiscal and monetary," the Premier declared.

He admitted that the spate of industrial unrest had been a setback, but for the country as well as the Government.

Lorry strike effects

MANUFACTURING industry is being progressively slowed down by the lorry strike although companies are managing to organise deliveries and production for longer than expected. Assessment of effects was complicated yesterday by bad weather. The Government and CBI put the lay-off total at 155,000 to 175,000.

PUBLIC SERVICE strikers caused widespread disruption to local council and health services including schools and hospitals. Police, army and voluntary organisations provided emergency cover for striking ambulancemen in London and elsewhere. Some airports were closed.

PORTS are still badly hit by pickets and the Port of London Authority says the strike is costing it £1m a day and pushing it into a cash crisis. Essential goods including fish should be moving today at Hull where pickets accepted their union code. Food supplies are being maintained.

PICKETING generally remained strong with varied reports of the impact of the union code on secondary picketing and the movement of food. Scottish drivers were reported to be easing their picketing. In the north of England picketing remained strong and in parts of the south the code was being ignored.

Car assembly at BL's Cowley plant has stopped with 5,000 laid off. Steel production was down by a quarter, as forecast, last week and will fall further. Beer stocks are dwindling and the construction industry could face serious disruption. Pilkington has laid off a quarter of its St. Helens workforce.

Carter rejects general tax cut

By Jurek Martin, U.S. Editor, in Washington

THE CARTER Administration will not support any general tax cut this year because of the inflationary risks.

This was made clear here as President Carter's "lean and austere" budget for the 1980 fiscal year, beginning in October, was presented to Congress.

A budget deficit of $29bn is projected, compared with the estimated $37.4bn for the year. It has been achieved by offsetting a 3 per cent real increase in defence spending with wide-ranging but not especially deep cuts on social programmes.

Mr. Michael Blumenthal, the Treasury Secretary, emphasised yesterday that until inflation was brought under control "it would be very risky to entertain a general tax cut."

The Budget documents disclose that the President has not ruled out economic stimulation by tax reductions next year—which happens to be a Presidential election year.

But pressure for action from all sides of the political spectrum may come before then as economic growth begins to slow.

The economic assumptions underlying the budget demonstrate the fine line the Administration is trying to adhere to in avoiding a recession. Real growth in calendar 1979 is only projected at 2.2 per cent (against 3.9 per cent last year) with a small advance to 3.2 per cent next year. The long run potential growth in the economy is normally put in the 3.5 per cent range.

The Administration also concedes that unemployment will worsen as a result of the contraction, averaging 6.2 per cent in both the next two years compared with 5.9 per cent at the end of 1978, and that inflation will only be brought down slowly—with consumer prices going up 7.4 per cent and 6.3 per cent this year and next, as against 9.2 per cent in the year just ended.

In his message to Congress accompanying the budget, the President warned that "real sacrifices" would have to be made if inflation was to be beaten.

Continued on Back Page
Editorial Comment, Page 18

£ in New York

—	Jan. 19	Previous
Spot	$2.0060-0070	$2.0095-0105
1 month	0.35-0.30 dis	0.41-0.36 dis
3 months	1.11-1.05 dis	1.07-1.00 dis
12 months	3.50-3.30 dis	3.40-1.00 dis

Lynch calls for wage restraint

By Stewart Dalby in Dublin

MR. JACK LYNCH, the Irish Prime Minister, has called on the unions to play their full part in the Government's five-year programme to eliminate unemployment, now officially put at just under 10 per cent. He said in a speech at Cork, where his ruling Fianna Fail party chose four candidates for the European Parliament, that pay claims above the terms of national wage agreements must be resisted if other national targets, like full employment, were not to be jeopardised.

His appeal came as power cuts in various parts of the country seemed likely as a result of a 24-hour unofficial stoppage called by a small number of workers at the ESB's largest electricity generating plant in North Kerry.

The dispute which was due to begin last night at midnight involves just 11 key shift supervisors who have a long-standing claim for regrading.

The station at Tarbert in Kerry, has a 620 MW capacity, equivalent to about a third of the country's peak demand consumption of 1,800 MW. Various areas of the country could suffer power cuts later today if the strike is effective.

The stoppage follows a week of communications strikes. A nationwide bus strike was settled at the weekend with pay increases equivalent to more than 10 per cent which was the last norm of the current national wage agreement. There has also been a postal strike within the past week as well as sporadic unofficial telephone stoppages by female day operators demanding pay parity with night workers, who are mostly men.

The rash of strikes is known seriously to worry the Government which feels that unless pay increases for the non-agricultural workforce are kept to single figures, the goal of full employment within five years at an average GNP growth rate of 6 per cent a year for the next three years will be put seriously at risk.

National wage agreements between organised unions which cover more than 70 per cent of the non-agricultural workforce and employers, have worked more or less successfully for the past eight years. The current agreement which is due to expire in March, allows across-the-board average increases of 10 per cent which were more or less parallel to last year's inflation figure. The Irish Congress of Trade Unions (CTU) has declined to negotiate another national pact. It has been talking to the Government about alternative forms of incomes policy which, among other things, will mean better rates than average for the lower paid.

The Government recently admitted that wage drift has taken pay increases to around 16 per cent on average last year, and is determined that this figure must be brought down this year.

In his speech, Mr. Lynch warned: "Pressures for pay increases above the terms of the national wage agreement are trends which cannot continue."

Bonn expects 4% economic growth

BY ADRIAN DICKS IN BONN

THE West German Cabinet is expected to adopt today economic forecasts for 1979 that include an increase of 4 per cent in real gross domestic product, a further modest decline in the unemployment rate to about 4 per cent, and a rise of about 6 per cent in wages and salaries.

The full series of forecasts, contained in the annual economic report, are to be published tomorrow. In the meantime, key excerpts were given wide coverage in the West German Press yesterday.

The report appears to adhere closely to the stated view of Count Otto Lambsdorff, the Economics Minister, and other senior officials that the economy should continue to expand at roughly the pace registered during the second half of 1978.

A difference from recent ministerial pronouncements, however, is the apparently increased confidence with which the forecasters are predicting a further strong upward push in investments by industry in plant and equipment. New investment overall is expected to rise by 10-12 per cent, compared to the provisional figure of 11 per cent in 1978. The difference lies in the forecasters' projection for public sector investment, which is expected to increase by only 8-9 per cent compared to 14 per cent last year. A further sign of official optimism towards business behaviour emerges from the forecast of a 10-13 per cent increase in stocks this year, as against a provisional 7 per cent build-up in 1978.

This expected mood of expansion on the part of West German industry is also tied in with the Economics Ministry's forecast that 1979 will once again see income from investments and property increase a good deal more rapidly than that from wages and salaries. The projected range is 9-11 per cent this year, following closely the 10.5 per cent increase which investment incomes are believed to have achieved in 1978.

With the 1979 wage round only in its early stages, this forecast is likely to be used as one more reproach by the West German trade unions against the coalition Government, where they have long resented the weight exerted on economic policies by the Free Democrats, including Count Lambsdorff and his predecessor, Herr Hans Friderichs.

None the less, the 1979 negotiations are once again accompanied by the caveat that further moderate wage rises remain an essential precondition for the 4 per cent growth target. The Government has already had the customary endorsements of most outside forecasters for this view, as also for its warning that fresh recession abroad, or renewed monetary turbulence, would severely strain recovery in West Germany itself.

This week, the Bundestag will be debating the 1979 budget proposals, first introduced last September, and subsequently revised by parliamentary committees. The budget committee, reflecting the increasingly nervous attitude in all parties towards Government spending, has chopped some DM 4.3bn (£1.16bn) from the record DM 35.5bn in new borrowing proposed, by Herr Hans Matthoefer, the Finance Minister, last autumn.

However, thanks to an upward revision of tax income forecasts by DM 2.2bn, and a DM 1.1bn profit earned by the Post Office on its telecommunications business, only relatively minor adjustments to projected outlays seem likely. The committee's recommended budget total stands at DM 203.8bn (£55bn), compared to Herr Matthoefer's original figure of DM 204.6bn.

Sig. Arnaldo Forlani

Tense note likely in Gromyko Rome talks

By Rupert Cornwell in Rome

A marked increase in tension, both internationally and within domestic Italian politics, had added considerable significance to the official visit here by Mr. Andrei Gromyko the Soviet Foreign Minister which began yesterday.

During his five-day stay, Mr. Gromyko is scheduled to have talks with his Italian opposite number Sig. Arnaldo Forlani, and with Sig. Giulio Andreotti the Prime Minister. He will also almost certainly be received in audience at the Vatican by Pope John Paul II.

A number of agreements and conventions between the USSR and Italy are due to be formally signed this week, but the normal tranquil state of bilateral relations has been perturbed by the clear-cut Soviet warning to Italy about possible arms sales to China.

The letter containing the admonition sent by Soviet President Leonid Brezhnev to Sig. Andreotti (in conjunction with others to the British, French and U.S. Governments) has provoked widespread resentment here over what is taken as blatant interference in Italian affairs.

The Prime Minister is likely to emphasise that while Italy wants to do nothing to jeopardise its good relations with Moscow or detente in its wider context, it cannot give unilateral undertakings which would circumscribe its international freedom of action.

The visit is also the first by a top Soviet official to Western Europe after the Vietnamese-backed invasion of Cambodia.

Sig. Forlani has very recently returned from a visit to Belgrade where he saw President Tito, and can be expected to seek as clear a picture as possible of current Soviet thinking from his guest.

At the same time Mr. Gromyko's arrival coincides with deep uncertainties over the fate of the current Italian governing formula as the Communists deliberate whether to continue their Parliamentary support for Sig. Andreotti's minority Christan Democrat Government.

Papal trip could cause 'earthquake'

By Paul Lendvai in Vienna

THE PLANNED trip to Poland by Pope John Paul II later this year could cause "a psychological earthquake" in the whole of Eastern Europe, including the Soviet Ukraine and Lithuania. The decision to authorise the visit could not be taken by Poland alone.

This was stated here yesterday by the Austrian Cardinal Dr. Franz Koenig, who, as head of the Vatican Secretariat for Non-believers since 1964, is generally regarded as one of the most influential and best-informed Catholic observers of the East European scene.

The Cardinal predicted yesterday that the new Pope would bring what he called "a fresh wind" into the Vatican's "Ostpolitik." He would take "a very clear and very firm stand" on relations between Church and state in Eastern Europe, albeit this would be done in a courteous way.

"Poland would be stood on its head," the Cardinal told a Press conference.

Greeks face terror charge

By Our Athens Correspondent

THREE ARMY officers, two of them on active service, and 10 civilians have been charged with participation in an extreme right-wing terrorist organisation which is held responsible for a series of bomb explosions in Athens last year.

The two active officers are believed to have formed an organisation calling itself "Group of National Restoration" and recruited the others to carry out terrorist activities.

The group claimed responsibility for 50 bomb blasts in Athens on December 17 which caused damage to buildings. An anonymous telephone caller had told a newspaper at the time the bombs were meant to commemorate the second anniversary of the death of Evangelos Mallios, a right-wing former police superintendent convicted of torturing political prisoners during the junta days and assassinated on Christmas Eve

Turkey secures $125m bank loan on agricultural export earnings

BY METIN MUNIR IN ANKARA

A GROUP of international banks is to advance a $125m short-term loan to Turkey which will be secured against the country's earnings from agricultural exports.

The revolving credit agreement for the financing is to be signed soon between a syndicate of banks led by Wells Fargo and T. C. Ziraat Bankasi (Agriculture Bank of Turkey), it was learnt here yesterday.

Under the agreement, the syndicate would advance Ziraat $125m on a revolving basis for three years. The loan would be made on the basis of certified exportable stocks of cotton and hazelnuts, two of Turkey's biggest export items. Ziraat, which is Turkey's biggest bank and is publicly owned, would obtain the certificates from several public agencies and co-operatives which handle the purchase and export of agricultural products.

All export earnings by these agencies would be deposited with Wells Fargo as agent for the syndicate to pay for the drawn section of the loan. Once repaid, each segment of the loan or the whole of it would once more be available to Ziraat.

Turkey is planning to export over $1.2bn worth of agricultural commodities this year.

To be able to use all $125m of the loan, Ziraat would be obliged to show an agricultural goods collateral of $167m—in other words, there would be a margin of $25m between the value of the goods and the amount of pre-export financing which could be raised on the strength of it.

The agreement will be in three sections: a revolving credit agreement, pledge and security agreement, and collateral agency agreement.

Bankers said that this agreement could serve as an example to be followed to finance industrial and mineral exports by the private sector.

A preliminary exchange of views is known to have taken place on pre-export financing between Citibank and the Koc group which is the biggest private trade and industry group in Turkey.

The banks in the syndicate of 21 include Citibank, Bank of America, Bank Sadarat Iran, Security Pacific National Bank, Manufacturers Hanover Trust and Crocker Bank.

Franco-German MCA talks

BY MARGARET VAN HATTEM IN BRUSSELS

THE FINANCE, Foreign, and Agriculture Ministries of France and West Germany were meeting privately here last night with Mr. Finn Olav Gundelach, the EEC Agriculture Commissioner, to try to resolve the dispute over EEC farm pricing arrangements.

But prospects of a breakthrough in the present impasse, which is delaying introduction of the European Monetary System (EMS) and threatens to hold up this year's farm price review, did not appear bright.

Any progress in tonight's talks could influence Mr. Gundelach's farm price proposals for 1979-80, which he is expected to announce formally on Wednesday and which are expected to include measures on agriculture financing arrangements.

The French are pressing for an automatic annual phasing out of any monetary compensatory amounts (MCAs—subsidies and levies which neutralise the impact on national farm prices of currency fluctuations) which might be created for the introduction of the EMS. They also want existing MCAs to be phased out, though not necessarily according to a fixed timetable.

Germany, whose farmers face income losses, should the Deutsche Mark appreciate further, insists that they should be paid compensation for these losses.

Although they have until now insisted that this should come out of the EEC budget, there are signs that they may be prepared to pay national subsidies, provided the phasing out was restricted to one or two percentage points a year.

Danish spying arrest

COPENHAGEN—The Danish Government has announced that a young German-speaking man of unknown identity has been under arrest since last November on charges of espionage for an East European intelligence service.

The Ministry of Justice said the man who posed as a student and used the identity of a dead West German citizen persuaded a Danish girl friend to smuggle documents out of the Danish Foreign Ministry.

But the Ministry said the documents, which the girl—also under arrest—hid in her shoes, were relatively few and of "limited" value to any foreign intelligence service. Unofficial sources said they dealt with international co-operation in the field of energy, including nuclear power plants.

Since his arrest three months ago the man, whose age police estimated at 26 or 27, has maintained complete silence and the Ministry of Justice admitted police do not know who he is. But police sources said he is almost certainly East German. Reuter

Independence moves restrain Caribbean monetary integration

BY DAVID RENWICK IN TRINIDAD

THE RECENT independence of Dominica has set off some hard thinking in Caribbean economic circles about the monetary future of the smaller members of the Caribbean Economic Integration Movement (CARICOM).

The basic issue under review concerns the role of the Eastern Caribbean Currency Authority (ECCA) in an age of separate autonomy for its previously semi-independent members.

For Dominica will soon be joined as an independent state by St. Lucia and St. Vincent, who in turn will eventually be followed by St. Kitt-Nevis and Antigua. Only Montserrat out of all the ECCA's seven member states is likely to remain a dependent territory in perpetuity.

The question being raised is how a centralised monetary authority can effectively discharge its function of safeguarding the currency and watching over credit creation and money supply when its client territories will be politically independent and quite likely to have differing interests in terms of monetary policy.

The decision of the states' Premiers to elevate the ECCA to full central bank status is not expected to make the task of tailoring monetary management to the special needs of six fully independent states and one colony (Montserrat) any easier.

Optimists tend to point to the case of Grenada. When it became independent in February, 1974, it refrained, at the urging of officials in CARICOM and the Caribbean Development Bank (CDB), from establishing its own central banking institution, and maintained its membership in ECCA.

But some experts have been in two minds about whether that move, as admirable as it may have been in terms of preventing more fragmentation in the region, really allowed Grenada to carry out the right monetary policy for the benefit of its own economic welfare and growth.

Harsh criticism

Some ministers of the member states have been harsh in their criticisms of the ECCA's methods of operation. But whether an Eastern Caribbean Central Bank will respond any more satisfactorily to their demands in the future is an open question.

Even before independence, Dominica, for example, threatened to give serious thought to setting up its own central banking agency because it was not satisfied with the ECCA's track record.

Mr. Victor Riviere, the island's Finance Minister, has insisted that the Authority concern itself more with the economic development of its member territories and try to influence monetary variables in a more positive way.

He specifically had in mind such devices as reserve requirements, quantitative credit restrictions and a selective bank rate policy which could have some effect on domestic credit allocation in the different islands.

In his Budget speech last year, a clearly irritated Mr. Riviere insisted that the ECCA, which has its headquarters in Basseterre, St. Kitts, should "grow up and be serious." He again returned to the attack on the Authority's monetary methods and demanded to know why ECCA persisted in backing its liabilities with almost 100 per cent external asset cover, which has the effect of allowing credit expansion in the territories concerned to be dictated by fluctuations of foreign exchange holdings.

The difficulties in a central monetary authority having to serve a mutiplicity of political masters has also been illustrated in the disagreements that have cropped up among certain member governments over the response the ECCA should have made to the weakness of the U.S. dollar.

Sterling link

Some have been of the view that the Eastern Caribbean dollar, the currency controlled by the ECCA (there are five other currencies in CARICOM—the Trinidad and Tobago, Jamaica, Barbados, Guyana and Belize dollars, all of which have differing values) should be switched back to a link with sterling, which appears to be rallying, and possibly revalued in the process from the present parity of EC$2.70=U.S.$1. Others were not so sure that this was the best course.

Among the latter was Mr. Reuben Harris, then Antigua's Finance Minister (he has since been replaced by Mr. John St. Luce), who lectured some of his fellow Finance Ministers on the virtues of stability in exchange rate matters when he delivered his Budget address last year.

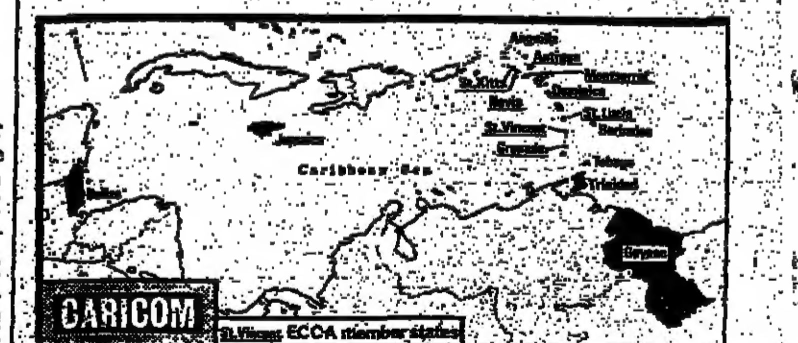
"Devaluing and revaluing of currencies are matters of serious economic concern based on international trends and the state of particular economies at particular points of time," he insisted. "The present exchange rate may appear burdensome and unfavourable but the medium- and long-term benefits far outweigh the sacrifices of the short term."

Among those benefits he listed the sterling windfall for those ECCA territories, such as St. Lucia, St. Vincent, Grenada, Dominica and St. Kitts, which enjoy a banana and sugar export trade with the UK, the maintenance of the value of foreign reserves (now mainly denominated in U.S. dollars) which would be adversely affected by a revaluation of the parity and the attraction the present exchange rate held for U.S. investment in the ECCA member states.

Conflicting responses to turmoil in international foreign exchange markets had been seen before: two years ago the same ECCA members had to decide whether to sever their traditional connection with sterling and align the EC dollar with the U.S.

That decision was accompanied by controversy, as Ministers argued whether or not any net benefit was to be gained from the switch. Mr. Riviere even went as far as to publicly rebuke the Finance Ministers of St. Lucia and Antigua for their alleged attempt to "railroad" his Government into supporting the change.

Such precedents only serve to demonstrate the difficulties which any monetary agency will face in the future in its task of finding common ground among member territories not always noted for their unanimity of views.



Deficits for oil states forecast

LOS ANGELES — Despite billions of dollars from oil, wealthy Arab nations could face balance of payments deficits, according to a study released yesterday.

The report, "The Economic Potential of the Arab Countries," was prepared by Mr. Arthur Smithies, a Rand consultant and a Harvard University political economist, under a U.S. Defence Department contract.

It projected and compared the economic potential of seven Arab nations: Saudi Arabia, Kuwait, Iraq, and Libya, and Egypt, Jordan and Syria.

The report noted that the richest Arab country, Saudi Arabia, faces the most acute problem due to its rapidly rising expectations, and could have a balance-of-payment problem by the end of 1985. AP-DJ

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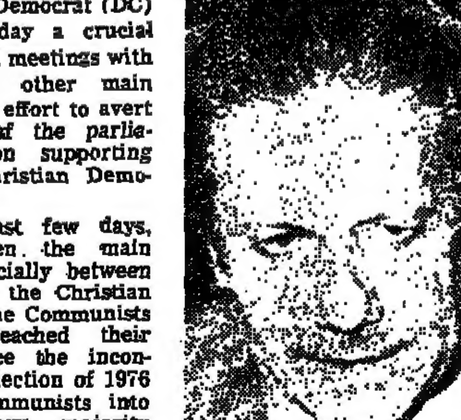
CHRISTIAN DEMOCRAT—COMMUNIST RELATIONS IN ITALY

Staving off the inevitable confrontation

Neither Christian Democrats nor Communists believe that their Parliamentary alliance can last—but neither side is ready to jump into an early election. Hence today's attempts to patch up relations for a little longer. Paul Betts reports from Rome.

SIG. BENIGNO ZACCAGNINI, the Secretary General of Italy's ruling Christian Democrat (DC) Party, starts today a crucial round of bilateral meetings with leaders of the other main parties in a final effort to avert the break up of the parliamentary coalition supporting the minority Christian Democrat government.

During the last few days, relations between the main parties but especially between the two largest, the Christian Democrats and the Communists (PCI), have reached their worst level since the inconclusive general election of 1976 brought the Communists into the Parliamentary majority though not into Government. For some party leaders, including the Socialist Secretary General Sig. Bettino Craxi, the Parliamentary majority has already collapsed.



Sig. Flaminio Piccoli—thinks the Communists are on the slippery slope.

In past months, the Communists have broken ranks and voted on two occasions against the minority Government. First they voted against the decision of the Prime Minister, Sig. Giulio Andreotti, to take Italy immediately into the new European Monetary System, and last week they voted against the nominations of the new chairmen for IRI, ENI and EFIM, three of the largest Italian state groups.

The Communists have also criticised the Government's three-year economic programme unveiled last week and due to be voted by Parliament at the end of the month. Should the Communists reject the economic plan, which has taken the Government some 10 painful months to draw up, only some astonishing political acrobatics could prevent the fall of the minority Government.

However, Sig. Andreotti and his ruling party still have one major card up their sleeve. All the parties supporting the Government, including the Communists, are generally averse to early elections. In these circumstances, Sig. Zaccagnini could succeed over the next few days to reach a compromise of sorts with the other parties. This would probably involve some form of Government reshuffle and new guarantees to the Communists to enhance, at least cosmetically, their presence in the governing process but still keeping them out of the Government itself.

The Christian Democrats do not disguise the slim chances of a reconciliation and the growing risks of an early electoral confrontation. While consensus can probably still be reached on the Government's economic plan, the fundamental issue now threatening the current fragile coalition is political. It is the old Italian problem that any alliance between Communists and Christian Democrats is unnatural and untenable in the longer term. Indeed, according to some Christian Democrats, it is surprising that it has managed to survive for so long.

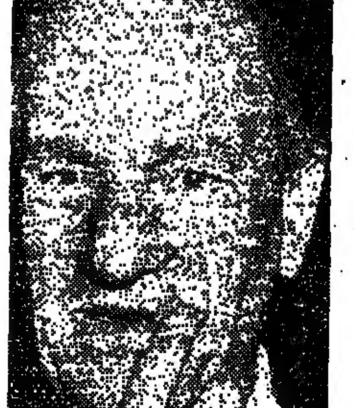
In the past few days, the Communists have openly accused the ruling party of breaching the two-year-old alliance claiming there had been a marked change in the Christian Democrats' policy of collaboration with the Communists. The PCI's position on monetary union and over the State sector nominations had been blatantly ignored. Other parties, including the Socialists, had now joined forces in a concerted campaign of discrimination against them, the Communists claimed.

Against this background, the Communists have threatened to bring down the Government. But their attitude also reflects the growing internal difficulties of the party. After 20 years of almost uninterrupted electoral advances, the PCI suffered a series of significant electoral setbacks last year. Faced in March with what is likely to be one of their most important national congresses in the party's history, the PCI is trying to revive its image tarnished by the uncomfortable alliance with the Christian Democrats.

Its long cherished policy of the "compromesso storico," or grand alliance of all democratic forces giving the Communists direct participation in government, appears to have failed in view of the firm refusal by the DC to include Communists in the Cabinet. The PCI's ambiguous position towards the Soviet Union has continued to generate tensions not only between the various left-wing parties but also within the party. The PCI clearly faces an unenviable dilemma. It cannot sever its links with Moscow, but it must also preserve its image as the leading spokesman for Eurocommunism.

At the same time, the PCI's difficulties have added weight to the DC's right-of-centre and the younger generation of anti-Communist DC deputies, particularly in the north, where they have some power at local level but have yet to make it to the top of the party. The Christian Democrats, furthermore, no longer see their party's decline as inevitable and the Communists' electoral advance unstoppable as they perhaps did two years ago.

In the wake of the turnaround, significant if discreet changes have been taking place inside the long ruling party fuelling the suspicions of the Communists. The balance between the so-called right and left wings of the party has been modified.



Sig. Benigno Zaccagnini—back to the talking shop.

Ten months ago, the DC leadership was made up of the late Sig. Aldo Moro, the party president murdered by the Red Brigades, Sig. Zaccagnini and Sig. Giovanni Galloni, the DC deputy secretary-general. They were the promoters of the policy of collaboration with the PCI. But the right-of-centre now dominates with the appointment of Sig. Flaminio Piccoli and Sig. Carlo Donat Cattin as president and deputy secretary-general respectively.

In these circumstances the DC clearly has no intention of making any significant new concessions to the Communists. They would, nonetheless, prefer to avoid early elections since the current alliance has tended to enhance the party's image and damaged that of the Communists. Like the other parties, including the PCI, they also fear elections would do little for solve the country's fundamental economic and social problems and could possibly act as a dangerous stimulus to the current revival of political violence in the country.

The fate of both the minority Government and its supporting coalition now effectively rests with the Communists. In ideal circumstances, they would probably want to drop out of the majority and adopt an "independent" position towards the Government so as to cruise comfortably to the party's 15th national congress in March. Yet they are also apprehensive of the European elections in June which could boost the image of the Socialists; and they face growing turmoil in their party base, especially in view of the Government's proposed incomes policy and austerity measures.

In the face of all this, the cards could fall in two ways. At the end of the consultations starting today between the Christian Democrat secretary general and the other political leaders, the main parties could decide that the coalition can no longer be salvaged opening the way towards new elections. On the other hand, they could formulate some compromise to ensure both the enforcement of the three-year economic plan, however modified, and the surival of the all-party alliance. But in so doing, they would only be postponing to a later date the inevitable confrontation between Christian Democrats and Communists.

Defence spending plan meets NATO pledge

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER has sent to Congress a 1979-80 defence budget that meets his commitment to NATO allies, for a 3 per cent real increase in military spending, and sends a signal to Moscow that the U.S. intends to embark on future rounds of strategic arms negotiations from a position of strength.

Sparing the axe applied to many non-defence sectors, the President has proposed that defence spending should rise next year to $122.7bn. This represents a *3.1 per cent* real increase on this year's level.

The year-on-year increase is all the more impressive, now that the Administration is also belatedly seeking to swell the current budget, for 1978-79, by an extra $2.2bn. This supplementary request, made to restore cuts by Congress last summer, is designed to make an early start on the key programmes of shoring up the U.S. nuclear arsenal in the mid-1980s, with projects such as the new MX missile, and of improving the U.S. capacity to reinforce speedily its forces in Europe in time of crisis.

The overall budget is likely to win general approval from NATO partner countries, which had been waiting to see how defence fared in Washington's new climate of budget austerity, before laying their own future plans.

Britain, however, will be at the very least piqued by the decision of Mr. Harold Brown, the U.S. Defence Secretary, to cut out all development funds in 1979-80 for a U.S.-built version of the British-designed Harrier jump jet. British industry stands to get up to $1bn in contract work, if the U.S. version is ever fully produced.

The 1979-80 real increase in programmes directly tied to NATO in defence in Europe—a priority stressed by both President Carter and Mr. Brown—is put at over 5 per cent by Defence Department officials.

The measures include: More pre-positioning in Europe of equipment for use by troops flown in from the U.S. Mr. Brown said by 1984 it would be possible by this means to get five U.S.-based divisions operational in Europe within ten days.

- More anti-tank guns and a one third increase in artillery pieces in Europe.
- Development of longer range nuclear missiles in Europe.
- $406m for the U.S. share in that year in the NATO Airborne Early Warning System (WAACS).
- The dispatch of more A-10 aircraft to Europe.
- A $45m increase in Government subsidies for the adaptation of civil airliners for military use in time of war.

The big weapons increases come in the strategic nuclear force, on which spending is to rise from $8.6bn in 1978-79 to $10.8bn (in current dollars terms). Briefing reporters on his Department's budget, Mr. Brown said these programmes stood on their military merits, and *denied that the principal* aim was to help a new strategic arms agreement to the conservative wing in the Senate. But the stepped-up satellite programme is clearly designed to reassure the Conressional doubters that SALT agreements with Moscow can be properly verified.

The U.S. Budget

One brand-new item that will stir controversy is the inclusion of some "study" money for a new intermediate range nuclear missile that, if based in Western Europe, could hit Soviet heartland targets. At present, U.S. nuclear missiles there have a range of no more than 450 miles—little counterpart to the Russian SS-20 missile and Backfire bomber, on which the West hopes to focus in any SALT 3 negotiations. Research on a longer-range U.S. missile based in Europe apparently won European endorsement from the British, French and West German lealers at their recent Guadaloupe summit meeting with Mr. Jimmy Carter.

The Administration proposed for next year the building of an eighth Trident nuclear missile-carrying submarine ($1.5bn) *the start of full-swing* production of air-launched Cruise missiles ($475m), modification of B-52 bombers to carry these Cruise missiles from about 1982 onwards, and full scale development of the MX missile ($670m).

Cruise and MX missiles are fraught with complications for future arms control bargaining with the Russians. The still incomplete SALT 2 negotiations would limit the deployment of Cruises by the U.S. for a period, yet to be agreed, up to the early 1980s. But Mr. Brown, a notable enthusiast for the pilotless, low flying nuclear drones, believes thereafter Cruises should be a major element in the U.S. Nuclear panoply.

Development of the MX missile begs the crucial issue of how it will be deployed. The most probable method—on a mobile system to make it less vulnerable to increasingly accurate Russian missiles—raises almost as many arms control questions as it answers.

Though the slice that defence will take of the 1979-80 budget will rise to 23 per cent, Mr. Brown claimed his budget was not wasteful. Defence spending as a proportion of Gross National Product was 4.9 per cent, or the lowest level since 1950, he said. Economies had been made. Military base construction had been slowed, and many civilian employees in his Department had been laid off.

Justifying his decision on the Harrier, which British officials regard as tantamount to killing it, Mr. Brown said that "given the expected limitation on funds for naval aircraft, it was felt important to limit the number of types of aircraft." More purchases of the same model lowered the unit costs of each plane.

He conceded that the U.S. version of the Harrier, the AV8B, would have offered some "distinct advantages" to the Marine Corps, which already flies an earlier version of the Harrier bought direct from the UK. But that did not warrant a total development programme, spread over several years, of nearly $1bn. He promised, however, that the U.S. would continue research and development funds on advanced vertical take-off aircraft, but gave no indications of where that left the Harrier.

If the new Congress is, as expected, more conservative on defence than the last one, it may add to the budget rather than subtract. The cut in Harrier funds (the Marine Corps originally asked for $203m in 1979-80) might thus be restored, as happened last year.

New York returns to public debt market

By John Wyles in New York

NEW YORK CITY is expected *to return to the public debt* market, after nearly four years as an investment leper. This follows substantially successful negotiations with underwriters yesterday.

Merrill Lynch, Pierce Fenner and Smith, the lead underwriters, announced that the $100m issue of notes had been tentatively priced to yield 8¼ per cent. This is a lower rate of return than seemed likely at the end of last week and makes it more advantageous for the city to sell the notes publicly, rather than through private placement at a predetermined rate of 9½ per cent.

Only the commission to be paid to the underwriters remained to be settled at midday yesterday and, assuming that this does not prove to be a major obstacle, the sale is thought likely this week.

The pricing of the notes was agreed by telephone yesterday morning between underwriters in New York and Mr. Harrison Goldin, the City Comptroller, who was in the San Francisco headquarters of Bank of America preparing for a sales talk to institutions later in the day.

The notes, due to mature in June, have been given an acceptable investment grade by *Moody's Investor Service*, and will be offered in $10,000 and $25,000 denominations. Although the sale will make only a marginal contribution to New York's present financial problems and looming budget deficit, it will be an important psychological step towards re-establishing a reputation for acceptable financial management.

Angry Alaskans fight Carter 'land grabbing' legislation

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER can count on losing one state should he seek a second term in 1980. Feelings against the President are running high in Alaska following his move to add 56m acres of the state, an amount of land over half the size of California, to the national park system.

Mr. Carter's action complemented an earlier move by Mr. Cecil Andrus, his Interior Secretary, banning commercial development of another 54m acres of the U.S.'s biggest state.

Alaskans have hit back. Mr. Jay Hammond, the Governor, has filed suit against the Federal Government, and Senator Mike Gravel, the state's senior representative in Washington, has accused Mr. Carter of "overstepping the bounds of the law."

State civil servants reacted by burning the President in effigy, and several thousand Alaskans this month organised the "Great McKinley trespass," deliberately breaking such rules as the leashing of their huskie dogs in the Mount McKinley national *park*.

Mr. Carter claims that his actions to preserve "our last great natural frontier" have the backing of the vast majority of Congress and the public.

The Administration argues that it has acted within the letter and spirit of previous laws affecting Alaska. The 1971 Alaska Native Claims Settlement Act, which gave the Eskimos and Aleut Indians 44m acres and $1bn in compensation for lost rights, also gave the Federal Government the right to choose up to 120m acres for preservation later. In 1958, the new state was given the right to select 104m acres.

In 1977 the environmentally-minded Carter Administration proposed to set aside 102m acres for non-commercial purposes. A Bill passed the House of Representatives in summer, 1978, by an overwhelming majority, but never reached the Senate, thanks to the single-handed efforts of Senator Gravel.

He, like the two other members of Alaska's tiny Congressional delegation, bitterly opposed the legislation and exploited the last-minute crush of business at the end of the Congressional session to kill the Bill.

The Administration would *probably* have stayed its hand until the next Congress if Alaska had not filed a pre-emptive suit at the end of October, trying both to scotch the Administration's proposals in advance and to revoke some of the existing environmental protection within its borders.

The Administration then sprang into action: Mr. Andrus imposed a temporary ban on commercial development of 110m acres in November and to put a "second lock" on 56m of Alaska's most scenic acres, the Administration decided to *use the 1906* Antiquities Act to create more national parks and wildlife refuges.

Environmentalists argue that preserving large tracts of America's least spoiled state will not preclude Alaska's economic development, while failure to act now might irretrievably damage the Arctic eco-system.

The preservation of Alaska is held to be in the national interest, as reflected in Congress and public opinion polls. The state's mountain ranges, glaciers *and forests* attracted 389,000 tourists in 1977, including a growing number of Europeans and Japanese.

The oil companies have not protested because 90 per cent of oil and gas deposits have been deliberately excluded *from* the *preservation areas*. The Alaska oil pipeline is unaffected, as is the proposed route for the gas pipeline.

Senator Mike Gravel

Modest rise in aid budget

BY OUR WASHINGTON CORRESPONDENT

PRESIDENT CARTER has [illegible]ked Congress for a modest [illegible]m rise in foreign economic [illegible]d, *partially* offset by a pro[illegible]sed $61m drop in military [illegible]d, in a total aid budget of [illegible].03bn for next year.

The size of the request marks the postponement of the President's original goal, when he took office, of doubling the level of official U.S. aid to foreign countries during his first term in the White House.

The bulk of "security assistance"—basically economic aid in support of U.S. foreign policy goals—will go "to help bring about peace in the Middle East." The amount proposed for next year *is unchanged*, at $2bn. The *present* recipients are Israel and its Arab neighbours—Egypt, Jordan and Syria. There appear to be no special provisions for Egypt and Israel for expenses if they sign, and put into effect a peace treaty.

Bilateral economic aid through the U.S. Agency for International Development will rise by about $100m. Multilateral aid contributions to such organisations as the World Bank and the various regional development banks will rise by $165m. But there is a big increase, to $3.6bn, in the amount of budget authority for contributions the Administration is requesting for the multilateral agencies. Congress last year cut about $1bn from the Administration's request, and the new budget seeks to restore *that*.

Mr. Michael Blumenthal, the Treasury Secretary, stressed that $1bn of this $3.6bn request was to fulfil past pledges by the U.S., chiefly to the World Bank. He also pointed out that much of this would never leave the U.S. Treasury, but would be set aside as callable capital funds to back World Bank operations. Nevertheless, Congress may again baulk at the size of the request.

Separate from the aid budget proper, the Administration is proposing nearly $500m in extra financing for the U.S. Export-Import Bank. With this increase next year, designed to promote exports, direct Ex-Im Bank loans are expected to increase to $1.2bn in 1980.

U.S. COMPANY NEWS

W. R. Grace to sue Daylin; General Motors may try to dispose of Frigidaire; Tiger International offer for Seaboard World Airlines—Page 32.

Solar power funds up

BY OUR WASHINGTON CORRESPONDENT

STEEPLY INCREASED spending on solar power development, and a doubling of funds for nuclear waste disposal offset by *cuts in the nuclear fission* programme are the major changes in the 1979-80 energy budget that the Carter Administration presented to Congress yesterday.

Overall, new spending on energy next year, under the Administration's proposals, will amount to $7.9bn—a slight decline on current levels and the first downward movement since the energy crisis caused by the 1973-74 Arab oil embargo.

The actual spending level will be about $8.6bn—the difference coming from some $700m left over from this year's budget for the building up of the Government's oil reserve against future possible embargoes.

This stockpiling has been slowed by fires and technical problems, and the administration has now officially revised its target to a 750m barrel reserve by 1985-86, down from the original goal of 1bn barrels.

Solar energy is the big winner in the new budget: research and development funds are to rise by 40 per cent, and money for its commercial application by 22 per cent. This, plus tax credits for private developers and users of the sun's power, amount to $800m under the Administration's proposal.

Nuclear fission is a casualty in that total outlays are cut by $125m to below $1bn in 1979-80. This stems from President Carter's declared policy of trying to reduce the proliferation dangers of using plutonium.

The Government is not reprocessing spent fuel from commercial nuclear power reactors, and will again attempt to kill, once and for all, the Clinch River breder.

Koch plans visit to China

NEW YORK — Mayor Edward Koch plans to visit China and Japan later this year to promote business for the city. He wants to make sure that, as the U.S. begins tourist and financial trade with China, the Chinese recognise that New York is the principal city and the financial capital, a spokesman said.

AP-DJ

OVERSEAS NEWS

WORLD TRADE NEWS

Japanese ease emergency restrictions on foreign purchases of yen bonds

BY RICHARD HANSON IN TOKYO

Finance yesterday took one more step towards dismantling the controls on the inflow of foreign capital it imposed on an emergency basis in March last year when yen was appreciating sharply.

From today, non-residents will be allowed to purchase Japanese bonds with maturities remaining of one year and one month or more, a relaxation of the five year and one month cut-off line in force for the past ten months.

This follows a reduction on January 12 in the reserve requirement on new free yen deposits (freely remittable yen deposits held by foreigners) to 50 per cent from 100 per cent.

The easing of restrictions on foreigners appears to reflect a subtle (and unstated) desire on the part of the Government to keep the yen from weakening further—which would raise import prices affecting consumer inflation—and yet to remain flexible enough to control any sudden bursts of speculation the yen will rise further.

It is thought the Government may even welcome some further but gradual rise in the yen, both because of the impact on prices and the trade balance.

The impact of the liberation measures on the Tokyo foreign exchange market has been fairly mild so far. Finance Ministry officials say the timing of the relaxation was decided on the basis of the current stability of the yen's exchange rate.

The chief of the short-term capital division at the ministry told the Financial Times that an elimination of the free yen reserve and bond purchases controls would be possible if the exchange market continues to stabilise.

Conversely, the Ministry of Finance will not hesitate to re-impose restrictions if large amounts of foreign capital again begin to flow into Japan in anticipation of a stronger yen, he said.

There is some feeling among private bankers that the Government is willing to see a gradual appreciation in the yen this year—by perhaps 5 to 10 per cent from present levels—because of the stabilising effect such a rise will have on the consumer price index.

It is readily conceded in government ministries that the sharp reduction in inflation rates last year to around 4 per cent per annum was due entirely to the yen's rise. Continued stability in prices (4.9 per cent is the official forecast for the next fiscal year) will help the ruling Liberal Democrats in any future elections.

The easing of restrictions on bond purchases apparently will have no effect on foreign purchases of Government bonds which have picked up in the last few months. Foreigners have shown good interest in the long-term government bonds which had maturities longer than the old cut off point anyway.

Meanwhile, there was a report this consideration on the timing of the issue of yen "Carter" bonds by the U.S. Government is getting underway. The Bank of Japan said there has been no decision in this area, but said the Carter Administration does plan and will issue yen bonds at some point.

Honda plans £7.6m plant in Nigeria

TOKYO—HONDA MOTOR said it plans to establish a joint venture firm in Nigeria later this year to produce small motor-cycles.

The move follows the Nigerian Government's decision last April to cut imports of finished motor-cycles.

A factory will be built in Lagos at a cost of Y3bn (about £7.6m) to produce about 100,000 motorcycles a year in the 70 to 185 cc range, it added.

Honda did not give further details, but industry sources said a Nigerian partner will probably be Leventis Motors, which assembles about 10,000 Honda motor-cycles a year.

Meanwhile, Honda Motor plans to export 515,000 vehicles this year, up from 496,000 exported last year.

Domestic sales will total 295,000, up from 254,000 last year, it said.

It also plans to export 1.8m motorcycles this year, up from 1.55m last year, while domestic sales of motorcycles will rise to a million from 959,000.

Soviet oil sales to West may cease 'by mid-1980's'

BY KEVIN DONE

THE USSR is unlikely to be able to continue exporting crude oil to the West by the mid-1980s according to a report on trade prospects with Eastern Europe prepared by the Royal Dutch/Shell group.

The Soviet Union is the largest oil producer in the world—output in 1977 totalled 11m barrels a day with exports of more than 3m barrels a day but more than half of this surplus goes to the smaller East European countries.

Apart from Russia, the other countries of Eastern Europe produce less than 400,000 barrels a day of oil, but they require a total of nearly 2m barrels a day with consumption increasing by 6 to 8 per cent a year.

With the exception of Romania, the rest of Eastern Europe has become increasingly dependent on imported energy, mainly from the USSR.

The Shell study says that if present trends continue these countries will require almost all the projected Soviet surplus by the mid-1980s, leaving the USSR little (if any) to export to the West. As oil and gas exports account for more than 50 per cent of the hard-currency earnings of the Soviet Union, it will have to reconcile competing claims.

"After the mid-1980s it is doubtful whether Soviet oil production will be able to satisfy fully both its domestic requirements and export demand."

Russia is a small supplier of crude oil to Western countries, but any fall in supplies will be significant in the 1980s as demand for oil in the West approaches the limits of production capacity in the OPEC countries.

In the short term any Soviet loss of foreign earnings in the West could be made up by rising natural gas exports, which are likely to increase substantially over the next decade, says the Shell report.

About 17bn cubic metres of natural gas were exported to hard-currency areas of Western Europe in 1977—total Soviet production was 350bn cubic metres. The gas exports were in part repayment for imports of line-pipe and other equipment.

"Taken as a whole Comecon's energy supply position is fundamentally sound," says the report. It has built up debts to Western financial institutions of more than $50bn. This deficit is expected to grow to more than $70bn by 1980, but Shell believes this is not "unduly large against the known resources of energy and other raw materials available to the Soviet Union and some of its economic partners."

Anthony Robinson adds: In spite of the difficulties involved in extracting oil from the major oilfields in Siberia Soviet experts are still adamant that production by 1985 will have climbed to around 750m tons from the slightly below target 572m tons, produced last year. At this rate they still expect to have a margin for export to the West for hard currency. Just how much will depend partly on the amount of oil they are willing to sell Comecon countries over the next five year plan period.

These targets have not yet been set but the Soviet Union has indicated that it will probably not be much higher than the 365m tons set aside for Comecon over the current five year plan period. All Comecon countries are being encouraged to develop their own indigenous energy resources, save energy and raise their trade with OPEC and other oil producing countries in order to diversify their sources of oil. Where this proves impossible the Soviet Union is willing to sell above quota oil to its Comecon partners — but only at the full international price and for hard currency.

Already energy shortages are forcing cut backs in growth targets in several Comecon countries. In view of the Soviet need for hard currency it may well have to accept lower growth as part of the price to pay for maintaining an exportable surplus to the West.

A Saudi adviser dropped

By James Buchan in Jeddah

SHEIKH KEMAL ADHAM, a key foreign policy adviser to the Saudi Throne during the 1960s and early 1970s, has been retired as adviser to King Khaled under a royal decree published this week.

Adham, 51, a member of a cadet branch of the royal family, enjoyed a close relationship with King Faisal from his early youth, a relationship strengthened by Faisal's marriage to Adham's sister Iffat, who was later named Queen.

But with King Faisal's assassination in 1975, and the increasing prominence of Iffat's sons, Adham's influence waned while his business activities appeared to proliferate.

Prince Saud Al-Faisal is now Foreign Minister, and Prince Turki Al-Faisal took over his uncle's job as head of the Foreign Liaison Bureau when he became head of the General Directorate of Intelligence in 1977. Clearly these two princes would need to convince the Crown Prince of their independence from their uncle—and the ancient regime—because of their own curious dynastic position as sons of the late King but distant candidates in the succession.

The Liaison Bureau, now a major instrument in the U.S.-Saudi alliance—was formed during the Yemen war in the mid-1960s to co-ordinate support for the Yemen royalists and opposition to Nasser's Egypt.

With the rapprochement with Egypt at the time of the 1967 war with Israel, Adham became chief specialist in conducting relations with Egypt. His withdrawal at the end of 1977 coincided with President Anwar Sadat's visit to Jerusalem, and a suspicion that Adham knew of the move could not have helped his standing with the Crown Prince.

Close associates of Adham note that his experience was called on during the Iranian crisis and there was hope of a return to favour. But the dating of the royal decree, some three weeks ago, indicates this was short-lived.

Munich massacre planner killed

BY IHSAN HIJAZI IN BEIRUT

THE MAN believed to have planned the 1972 Munich Olympics massacre was killed by a bomb explosion in his car here yesterday.

Ali Hassan Salameh, aged 36, code-named Alan Hassan, was taken to hospital "in an almost hopeless condition" and died later.

Six people were killed instantly in the explosion which occurred near Salameh's home in west Beirut. The dead included five Palestinian bodyguards, accompanying Salameh in the car, and a passer-by.

Mr. Salameh, who was chief of security of the main Palestinian guerrilla group, Al-Fatah, was high on Israel's "most wanted list." The Israelis are convinced that he engineered the attack at Munich in September 1972, when Palestinian guerrillas killed 11 Israeli athletes. As commander of special operations, Salameh was also in charge of personal security for Mr. Yasser Arafat, the leader of the organisation.

According to Palestinians yesterday Salameh's car was shattered as he drove off from his heavily-guarded private parking space. Guerrillas cordoned off the area as ambulances collected the victims.

A neighbour said by telephone that Salameh's car was turned into a pile of melting metal after the blast which also tore an escorting vehicle to shreds.

David Lennon reports from Tel Aviv: The Middle East mediation team headed by Mr. Alfred Atherton, U.S. special envoy, adjourned its discussions with Israel yesterday to consult with Washington.

The U.S. and Israeli negotiating teams met in the morning to continue the search for a compromise formula on the issues holding up the signing of an Israel-Egypt peace treaty.

Khomeini still rejecting envoy

BY DAVID WHITE IN PARIS

AYATOLLAH RUHOLLAH KHOMEINI, in the last week of his French exile, stood firm yesterday against receiving the envoy of the Regency Council set up to replace the absent Shah in Tehran.

Aides at the Shiite leaders base outside Paris said Mr. Sayyed Jelal-eddin Tehrani, the council member who went to France last week to try to see the Ayatollah, had written stating his intention to resign his official post.

But the Ayatollah refused to talk to him until he had declared the Regency Council illegal.

A top aide reiterated there was no possibility of a compromise with the Government headed by Dr. Shapour Bakhtiar.

Ayatollah Khomeini spent an hour yesterday morning with Mr. Ramsey Clark, who was U.S. Attorney-General under President Johnson. Mr. Clark said he was on a private three-man fact-finding tour to investigate the Iranian crisis, and that he did not know if he would meet President Carter after his visit.

He said he was satisfied that the Ayatollah was not a fanatic, and that he was "the key man" in Iran's problems. He was "deeply impressed by the depth and nature and purpose of the movement in Iran," and had "the highest hopes that it will achieve social justice."

He ruled out the possibility of U.S. mediation.

AP adds from Tehran: Gen. Abbas Gharabaghi, the chief of the Iranian Armed Forces, gave his full support to Dr. Bakhtiar yesterday, after Dr. Bakhtiar defied Ayatollah Khomeini's demands that he resign. Gen. Gharabaghi also said the armed forces "have no plans to pull a coup."

Bantustan policy under pressure

BY QUENTIN PEEL IN JOHANNESBURG

MR. P. W BOTHA, the South African Prime Minister, yesterday met the traditionally conservative leaders of eight tribal homelands, in a bid to head off an unprecedented revolt against Government policy.

In what could prove to be a major policy shift, he agreed that the question of consolidation of the fragmented Bantustans should be reconsidered.

Chief Gatsha Buthelezi, leader of the most populous Kwazulu homeland, said Mr. Botha had suggested that the Government was prepared to allocate more land to the homelands than laid down in the 1936 Lands Act, which set aside 13 per cent of the country for the majority black population.

Hitherto, the 1936 Act has been considered a fundamental tenet of the ruling National Party policy. Chief Buthelezi said Mr. Botha's views could mean "a radical move away from established policy."

Several Homeland leaders emerged from individual meetings expressing optimism about the attitude of the new Prime Minister in contrast to that of his predecessor. But they emphasised that the series of individual meetings was not a substitute for the "summit" they are seeking to consider the whole area of Government policy towards blacks.

Seven of the eight homeland leaders—excluding Chief Mphephu of Venda, who has opted for independence, along with Transkei and Bophuthatswana—met last month and agreed to draw up an alternative strategy to existing Government policy. They rejected independence for their Homelands, and the proposed new Constitution, which provides parliaments for whites, coloured people (of mixed race), and Asians, but not blacks.

EEC debut for S. Korean car

By Kenneth Gooding

SUPPLIES OF Pony cars from the Hyundai company of South Korea have now arrived in Holland where more than 30 dealers have been appointed. Sales will also start shortly in Belgium where a further 38 dealers are already under contract.

The group expects to move progressively into other parts of Europe this year. But right-hand drive models for the UK market are not likely to be available until the spring of 1980.

Hyundai has also revealed record profits of $440m for its motor company in 1978. Last year, Pony production was 60,517. With 42,480 going to the domestic market, Hyundai had 62 per cent of Korean car sales. The other 18,317 were exported to Asia, Central and South America, the Middle East, Africa as well as Europe (in preparation for this year's sales push) and Greece.

Production in 1979 should reach 125,000 which will improve export availability and release Ponies for Europe.

BL optimistic on Dutch sales

By Charles Batchelor in Amsterdam

THE BRITISH motor group, BL (formerly British Leyland), expects to make up ground lost in 1978 and return to a share of 4.1 per cent of the Dutch car market this year with sales of more than 25,000 vehicles.

After sales of just over 22,600 in 1977 and a market share of 4.1 per cent, BL Nederland saw sales fall to about 21,000 last year and a market share of only 3.6 per cent. It forecasts total car sales in Holland this year of 575,000-585,000.

BL has raised the retail price of a number of models to cover higher manufacturing costs. The average weighted price increase is 1.5 per cent. The increases apply to versions of the Mini, Allegro and Triumph Dolomite.

The decline in sales last year was largely due to a fall in demand for the Mini and Allegro. Both cars maintained or even increased their market share in their respective classes but the trend to dearer, more expensively equipped cars meant sales of smaller cars declined generally.

Full delivery of BL models to Holland was maintained in 1978 and the Dutch company expects to be able to deliver most models from stock in 1979.

Offshore team in Mexico

BY OUR ENERGY CORRESPONDENT

A GROUP of more than 30 European companies in the offshore oil industry have begun a five-day visit to Mexico in an attempt to win a greater share of the growing market for offshore oil supplies and equipment.

The business mission, which has the full support of Pemex, the Mexican state oil company, will receive briefings from the Ministries of Industry and Foreign Trade and Pemex on their development plans and future requirements.

The London-based Offshore Centre, which has organised the visit, is looking to joint ventures and technical co-operation as the best way of gaining a stake in the Mexican market.

The UK companies involved in the mission include British Petroleum, CJB, Burmah, EAE Plessey, Head Wrightson and Weir Pumps. They have been joined by Continental interests including Heerema, Comex, Gasunie and Rhine-Schelde-Verolme.

Dr. Dickson Mabon, the UK Minister of State for Energy, who has just returned from Mexico, said last week that talks are taking place between Mexico and the UK on trade deals in energy and energy-related industries worth many hundreds of millions of pounds.

Japan study on Saudi chemicals

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

A JOINT venture company to conduct market-research on the Mitsubishi group's $2.3bn Saudi Arabian petrochemical project was officially inaugurated yesterday.

The company has the backing of 54 major Japanese corporations including most leading companies in the Mitsubishi group. Its function will be to carry out a feasibility study of the Saudi project focusing on the question of where and how the output of finished products from the complex could be sold. The basic plan for the project calls for Saudi Arabia to consume 15 per cent of the total output and for the remaining 85 per cent to be exported.

Mitsubishi first became interested in 1975 in a plan to construct a 310,000 tons ethylene complex at Al Jubayl on the Gulf coast of Saudi Arabia. Doubts about the availability of export markets for the project led Mitsubishi to delay implementation of the plan until last summer when Saudi Arabia strongly requested action on the matter. This request was repeated to Japan's former Prime Minister, Mr. Takeo Fukuda when he visited the Middle East in the late summer.

The Japanese Government is expected to support the Saudi venture if Mitsubishi finally decides to implement the project—probably by acquiring a stake in the joint venture company which will be formed to implement the project. The Japanese company will be responsible for half the total investment cost of the petrochemical complex ($1.36bn), leaving the remaining half for a Saudi Arabian government-owned agency.

The feasibility study for the project is expected to take not more than 18 months to complete and will cost Y1.45bn. The joint venture company formed to carry out the study is named Saudi Petrochemicals Development Corporation and has a paid-up capital of Y500m.

U.S.-China deals in the pipeline

BY COLINA MacDOUGALL

SUBSTANTIAL NEW Sino-U.S. business is already in the pipeline following the rise in trade contact last autumn, even before vice-premier Deng Siaoping arrives in Washington next week.

China is seeking U.S. assistance on nine hydro-electric projects and in the development of a high voltage transmission system, according to the latest issue of the China Business Review, published in Washington.

Four of the hydro-electric projects are on the Yangtse River. Their capacities are 30,000 megawatts, 10,000 MW, 5,000 MW and 3,000 MW. A 1,600-MW project is under discussion for Lungmen on the Yellow River, and one of 3,000 MW for the Pearl River.

Three others are scheduled for the Brahmaputra and the Mekong. Details of these projects have become available since they were first discussed during the visit to China last autumn by the U.S. Energy Secretary, Mr. James Schlesinger.

A U.S. coal mining machinery company is negotiating a three-year contract worth several million dollars for the supply of coal mining equipment to China. During Mr. Schlesinger's trip the Chinese indicated they wanted help for two 20m-tonne-a-year opencast coalmine for which U.S. technology is the most suitable.

The U.S. Geological Survey is discussing a survey of recently discovered oilfields in west and south-west China. The Exxon Corporation has been asked to provide detailed assessments of the sites.

The China Petroleum Corporation is also holding talks with Phillips for remote sensing equipment, Mobil for reservoir permeability studies, Union Oil for oilfields development injection systems, and Texaco for logging and drilling systems.

Chemtex, Uniroyal and Du Pont are discussing a plant for making nylon 66 for tractor tyres. Estimated cost of the plant is U.S.$50m (£25m) to U.S.$100m and the site is 600 km north of Peking. Japanese manufacturers have also been invited to put in tenders for this plant.

Following the visit last autumn to Peking by the U.S. Secretary of Agriculture, Mr. Robert Bergland, co-operation between China and the U.S. Department of Agriculture is being set up. Besides the forthcoming exchange of research teams to study subjects like crop reporting, at least six agriculture related trade associations are to visit China this year.

THE IVORY COAST

Reviving the economic miracle

BY A SPECIAL CORRESPONDENT IN ABIDJAN

THE IVORY Coast has long been one of Africa's most successful economies but analysts here are now predicting that 1979 will almost certainly usher in the country's first period of relatively low economic growth since independence in 1960.

According to a high official in the Ministry of Finance and Economy, the Ivory Coast economy is expected to grow by only 2 or 3 per cent in 1979, with this trend likely to continue into the early 1980s. This modest growth rate still compares reasonably with the many African countries, but it is far below the Ivory Coast's 12 per cent increase in 1976, 8 per cent rises during the past two years, and its exceptional average progression of GNP of over 7 per cent between 1960 and 1974, which led to claims of an Ivoirian "miracle."

The Ivory Coast miracle, based on the export of agricultural commodities—predominantly coffee, cocoa and timber, with a smaller push from palm oil, pineapples, bananas and cotton—has taken place with major inputs of capital and expertise from the West, plus cheap unskilled labour from the neighbouring countries of Upper Volta, Mali and Guinea. It has brought Ivoirians one of the highest living standards in black Africa, with per capita income currently at about $1,000.

Ironically, the highly favourable economic conditions which the Ivory Coast enjoyed during 1976-77, when coffee and cocoa prices reached record levels and earned the country nearly $1,500m a year, have played a key role in precipitating the country's current economic difficulties.

With the Agricultural Products Price Stabilisation and Support Fund taking in over $600m a year from coffee and cocoa, the Ivoirian government embarked on a very ambitious development programme, heavily supplementing these commodity revenues with loans from abroad. Critics say that much of this borrowing, especially by the country's numerous state agricultural enterprises, was badly co-ordinated and got out of hand.

As a result of this borrowing, Ivory Coast is currently saddled with a debt of over $4,000m, half of which is signed for but not yet disbursed. According to an economic report issued recently by the U.S. Embassy here, the country's debt service could rise from 12.4 per cent of export earnings in 1978 to an uncomfortable 25 to 30 per cent by 1981.

In July of last year, following a visit to Ivory Coast by Robert MacNamara, President of the World Bank, the Government adopted a set of fiscal and monetary measures to deal with mounting economic difficulties. A moratorium was placed on major loans from abroad. This policy, along with regulations to restrict domestic credit, was aimed at slowing the growth of the money supply and lowering the rate of inflation, estimated at 20 per cent in 1978.

The Government also decided to eliminate a number of planned investments generally viewed as "prestige projects," including two new universities in the interior of the country, regional airports, and a "Triumphal Highway" through Abidjan. A questionable scheme to build 12 sugar cane factories in the country's northern region was trimmed back to six.

An international economist with five years' experience here argues that even though the Ivoirian Government has recently made significant mistakes, some of the causes of the imminent economic slowdown are the "inevitable result of the stage of economic maturity that the Ivory Coast has attained."

Since Ivory Coast has become relatively wealthy by Third World standards, he says, it must now accept loans with harder terms of repayment, after years of receiving the low-interest credits and grant assistance accorded to "poor" countries. Ivory Coast has also had to invest heavily in social services such as schools, hospitals, and urban housing, with marginal rates of return.

A low level of private investment in the Ivoirian economy has aggravated the current situation. The Government's 1976-80 Plan counted on $660m of new private capital formation annually, including large outlays in mining and timber processing, but during the past two years it has been only a third of this target.

Another problem is that even though Ivory Coast's rate of gross domestic savings is relatively high, a considerable fraction of these savings leaves the country as repatriated profits and foreign workers' salaries, and is not available for reinvestment in the national economy. Repatriated salaries, earned mostly by the 60,000 French in Ivory Coast amount to over $200m annually.

With lower coffee prices in 1978, Ivory Coast's trade surplus is expected to be well below the $433m margin in 1977, and with the flow of loan capital into the country virtually drying up, the balance of payments will go into deficit.

Political observers here generally agree that Ivory Coast President Felix Houphouet-Boigny and his sole political party have both the will and the means to implement the Government's strong credit-tightening, anti-inflation programme, without encountering major opposition either within the party or from urban workers in Abidjan, the two quarters from which discontent might be expected to come.

Government officials and development aid specialists are optimistic that the new economic policies will succeed in bringing down the rate of inflation and correcting Ivory Coast's foreign borrowing position, and they say that a return to higher coffee prices and exploitation of potential offshore oil deposits could provide an extra boost to the country's economic recovery three or four years from now.

Even with high coffee prices and a generous domestic supply of oil, Finance Ministry officials say that Ivory Coast will still have to take more fundamental steps to stimulate the economy, by increasing agricultural output, including largely-neglected food crops; expanding the agro-industrial sector in order to process a greater share of export crops locally; and convincing investors to embark on large-scale industrial projects such as a proposed wood pulp complex at San Pedro, the country's second port.

Portugal signs Angola accord

By Jimmy Burns in Lisbon

RELATIONS between Portugal and her former African colonies have reached a high point with the signing in the Angolan capital Luanda yesterday of an important trade agreement with Angola.

The agreement was signed at the end of a controversial four-day visit to Luanda by a Portuguese trade delegation led by Sr. Repolho Correia, the Portuguese Minister for Commerce and Tourism.

The visit was almost cut short at the week-end following a strongly-delivered statement from the Angolan Government which accused the Portuguese Press and certain Portuguese politicians of orchestrating a campaign of support for critics of the Angolan President, Dr. Agostinho Neto.

At a last-minute meeting, however, the Portuguese Trade Minister is believed to have assured Dr. Neto that the opinions expressed by the Right-wing media here and political groupings did not reflect on official Government policy.

The agreement is in fact the first practical result of the general co-operation treaty signed by Dr. Neto and President Ramalho Eanes of Portugal at their summit meeting in Guinea Bissau last June. Officials here continue to believe that increased ties between Portugal and her former African colonies are an important aspect of future Portuguese membership of the EEC, particularly given the fact that a number of Portuguese products are facing a crisis of over-capacity in the rest of Europe.

Australian wins Peking contract for motel chain

BY JOHN HOFFMANN IN PEKING

AN AUSTRALIAN businessman has signed a U.S.$20.6m (£10.3m) deal to build a chain of motels in China, achieving a world first in China's mushrooming tourism industry.

Mr. I. S. Koh and his company, Great Sincere (Victoria) Pty Ltd., has slipped in ahead of the biggest international hotel companies, a number of which are still negotiating terms with the Chinese Government for the construction of hotels in major cities.

The agreement is for an unannounced number of two-storey prefabricated, 110-bedroom motels to be built in tourist centres in north and south China.

It is a complete package deal. Mr. Koh's company will supply everything down to the front-door keys which will be handed over to the China Travel Service before the end of 1979. The buildings, furnishings, fittings, television sets, air-conditioners and refrigerators will all come from Australian manufacturers.

The agreement even includes the supply of Australian-built cars and buses for each motel to be used for sight-seeing, and the provision of Australian construction supervisors. China will provide only the sites and the workforce to erect the knocked-down steel-frame buildings.

Mr. Koh said in Peking yesterday: "Motels are a completely new idea for the Chinese. Other international companies have proposed building 1,000 or 1,500 room hotels in major cities but none had suggested buildings suitable for small tourist centres."

A factor which helped Mr. Koh in his negotiations is the method of financing. It is proposed that the Chinese use an Australian line of credit offered by the Export Finance Insurance Corporation at OECD rates of interest, which are lower than those applied to the bank finance offered by American hotel companies.

Record HK deficit of £963m

By Anthony Rowley in Hong Kong

THE DEFICIT on Hong Kong's visible trade reached $HK9.13bn (£963m) last year, a record shortfall and roughly three times the 1977 deficit.

The deficit has been mounting throughout most of the year as imports ran well ahead of exports and re-exports, but the December deficit of $HK1.23bn was particularly bad and represented a $HK50m increase over the November deficit.

However, the growth rate in imports had been cut back to 6.1 per cent last month compared with a growth rate of 14.5 per cent in November and 12.6 in December 1977.

Domestic exports last month rose 12.4 per cent to $HK4.31bn compared with the previous month (November), while re-exports fell by 11.9 per cent to $HK1.22bn and imports were $HK6.81bn.

Stately homes uneconomic

A NATIONAL survey of medium-sized stately homes in Britain claims that, however much they are open to the public, they are uneconomic propositions.

The survey is by Mr. Harry Teggin, a London architect, assisted by Mr. Richard Vane, a barrister, whose family own and live in Hutton-in-the-Forest, near Penrith, a stately home dating from the 14th century.

It says that 960 stately homes are threatened because of tax problems, and Hutton-in-the-Forest is an example.

Mr. Vane said yesterday that a medium-sized house cost an average £26,000 a year to run, but under the tax system the owners needed income and assets of £50,000 a year.

He and the other writers of the survey are recommending to the Government that further exemptions from income-tax, capital transfer tax and VAT are necessary for such houses to be viable.

They say that the only way to preserve stately homes as part of the national heritage—as the Government wishes—is to enable owners to be as free of tax as possible, provided they are open to the public and they agree to waive personal financial gain.

Sign of unit trust revival as sales leap 42% to £530m

BY EAMONN FINGLETON

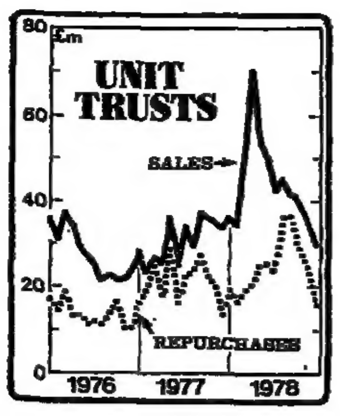
THE unit trust industry's sales to investors rose 42 per cent last year to a record £529.7m, the Unit Trust Association said yesterday.

The latest total is an improvement of £93m on the previous record of £437m achieved in the boom year of 1972.

The industry's delight, however, is tempered by the fact that the latest total is in real terms much lower than the 1972 figure and that 1978 was the year when the association failed to win official backing for an increase in unit trust management charges.

The industry's sales in December at £26.7m were well below the year's average monthly total of £44m and compare with £33.4m in December, 1977. Re-purchases from investors cashing in their units were also down—from £24m in November to £15.8m in December, the lowest monthly figure last year.

Re-purchases totalled a record £294.1m last year, compared to the previous record of £257.9m in 1977. This left the industry with net new investment last year of £235.6m—below the



figures achieved in 1968 and 1972.

Commenting on the figures, Mr. Edgar Palamountain, chairman of the association, said: "The high sales total shows that unit trusts are continuing to gain acceptability with investors. The figures are not marvellous when you take account of inflation but they are certainly a confirmation that the damage done to the credibility of equity investments in 1974 has now been repaired."

The industry has not heard officially the result of its application for an increase in the annual unit trust management charge from ½ per cent in most cases to ¾ per cent.

The Trade Department turned down the application last summer but then re-opened the question by calling for an investigation by the Price Commission, which completed its report in November. The report, due for publication within the next few weeks, is widely believed to have turned down the application out of hand.

A major stumbling block is believed to have been the industry's decision to phase in higher commissions for insurance brokers and other intermediaries in recent years. The Price Commission is believed to have concluded that if the industry could afford voluntarily to pay more than double the previous commission rate to many salesmen, no management charge increase was necessary.

Mr. Palamountain refused to confirm that the association's application has been rejected. But he added: "If the industry does not get an increase in management charges it will have to switch over to selling more insurance-linked investments where the only limit on charges is pressure of competition. The annual management charge on a typical unit-linked insurance bond is already around ¾ per cent.

"The small investor will be hit because many managements will be driven to increase the minimum investment needed to enter their funds. At present the typical minimum is either £250 or £500 but I can see the norm rising to either £500 or £1,000."

More try for university

APPLICATIONS FOR university places for this year are up by 6.9 per cent, the Universities Central Council on Admissions said yesterday.

By December 15, the closing date, they totalled 150,492, compared with last year's total of 140,717.

The Central Council says that allowing for late applications, its best estimate of the probable final number is 168,000, against 157,500 who applied last year.

Crown Agents' property novice given 'free hand' with £10m

BY TERRY OGG

MR. PETER SLY, the Crown Agents' first real estate investment manager, learnt the job of property acquisition by acquiring property, the tribunal investigating the Crown Agents was told yesterday.

"I was told when the property section was formed that the Crown Agents had a gap in the finance activities in the sense that, although they were involved in investment, they nevertheless had little or no investment in property," said Mr. Sly.

"They authorised the commitment of £10m to invest in property and gave me a more or less free hand to go into whatever areas I thought best, subject only to approval from my immediate superiors.

"I had regular discussions with them and I would not buy anything without discussing it with them. They would say "yes" or "no." I would have to produce cogent reasons for my decisions. But it is fair to say that my superiors realised I knew more about property than they did."

Mr. Ian Glick, counsel for the tribunal, asked Mr. Sly during cross-examination if, in the first few months, he had an unfettered discretion. "That is right, yes," Mr. Sly replied.

"In institutions at the time, there was a feeling that investment managers who were allowed a considerable latitude in discretion did better than those who were fettered, and this, of course is particularly so in a rising property market. I think Crown Agents followed that fashion."

"But are you seriously suggesting that fashion, if we can so describe it, applied to people who were taking on a job they had never done before, in which they had no training, and which they were going to learn by doing it?" asked Mr. Glick.

"I don't know. I cannot answer, can I? I can only tell you what happened at Crown Agents," said Mr. Sly.

"And that was what happened, at Crown Agents, that you learnt the job of property acquisition by acquiring property?" Mr. Glick asked.

"And in the money market as well," Mr. Sly said. "The same rules applied."

Mr. Sly joined the Crown Agents in 1949, and in the summer of 1968, was appointed an assistant money market dealer. In May, 1969, he was appointed head of the real estate section and remained in this position until he left the Crown Agents in February, 1974. The hearing continues.

Energy Minister for Scandinavia

DR. JOHN CUNNINGHAM, Parliamentary Under-Secretary for Energy, will visit Denmark, Finland and Sweden next Monday for talks on a range of energy topics, concentrating on energy conservation programmes.

One important aim of the visit is to examine the latest district heating schemes in urban areas.

In Denmark, Dr. Cunningham will meet Mr. Arne Christiansen, Minister of Commerce, and hold talks with Copenhagen and Odense district heating associations, as well as seeing the Lundtofte low-energy house projects.

In Finland, Dr. Cunningham will meet Mr. Eero Rantala Minister of Trade and Industry, and officials from the energy section of the ministry. He will also tour Helsinki district heating plant.

In Sweden, the minister will meet Mr. Carl Tham, Minister of Energy and Co-ordination.

Medical grant

THE Science Research Council has granted £12,600 to North Staffordshire Polytechnic to study the use of ceramics in human joint replacement.

Britain's women see greatest changes

FINANCIAL TIMES REPORTER

BRITAIN'S biggest social changes are taking place in the economic and social lives of women.

Among statistics in Britain 1979, a 490-page Central Office of Information handbook, out today, mainly for use by the British Information Services overseas, are figures showing that since 1951 the proportion of married women who work has grown from a fifth to half.

Compared with their counterparts elsewhere in the EEC, British women form a high proportion of the workforce—about two-fifths—but on average work shorter hours than men.

Equal-pay legislation has narrowed the gap with men in basic rates, and during the 1970s, women's wages rose proportionately more than men's, the handbook says.

However, women do not work merely for "pin money." "Families have come to rely on married women's earnings as an essential part of their income rather than as 'pocket money' or as a means of buying extras."

The handbook records that the trend towards early marriage may be ending. Men marry on average at 25 and women at 23, and the average ages for divorce are 38 and 36.

At least a fifth of future marriages will end in divorce if present rates continue, but remarriage among younger divorced people is high and births in remarriage are likely to become a more important component of total births in the future.

In 1977 there were 656,000 births, about one in ten illegitimate.

In the consumer section, it is reported that the British spent less of their wages on food, tobacco and clothing than 10 years ago, but more on housing, fuel and light.

Spending on alcohol has increased substantially and in 1977 Britons spent 114 per cent more on wine than in 1967.

More than half of Britain's households have one or more cars, central heating and a telephone, and 96 per cent have television.

Cheer for the potential foreign visitor lies in the report that smoke in the air has been reduced by four-fifths since the 1950s and London now gets seven-tenths more winter sunshine than it did then.

Britain 1979: An Official Handbook prepared on behalf of the Foreign and Commonwealth Office for the use of the British Information Services Overseas. Also available at HMSO, price £7.00

'Sharp recession possible in second half of year'

BY DAVID FREUD

THERE COULD be a sharp recession in the second half of the year caused by monetary restraint, accelerating inflation and fiscal measures to reduce demand, according to City stockbrokers James Capel.

In its latest circular, the firm says it believes the out-turn for overall earnings growth in this pay round will be about 11-12 per cent, which would push inflation up to about 10 per cent in the last three months of the year.

A broadly neutral spring Budget is forecast and the firm says there could be upward pressure on the public sector borrowing requirement, which would need corrective action in the second half of the year.

Growth is expected to slow to slightly less than 2 per cent for the year as a whole, due to weakening consumer spending, a lower level of stockbuilding and a fall in manufacturing investment.

"We do not see an export-led upturn in the latter part of the year, and therefore envisage a progressive slowing of the economy during the course of 1979."

The combination of a reduced growth of domestic demand and increased contribution from North Sea oil should ensure a modest current account surplus of £400m, says Capel.

The firm argues that, if the authorities carry out the threat to take monetary and fiscal measures if wage demands become excessive, this could produce a squeeze leading to a sharp recession.

Dr. Paul Neild, writing in stockbrokers' Philips and Drew's latest circular, says the Government has left itself no room to manoeuvre in the next Budget, following the reflationary Budget last spring.

The Government is likely to avoid an imprudent give-away although, because about £1.5bn of direct tax relief is needed to offset fiscal drag, a cautious Budget can still be devised which provides some relief for voters.

Welsh £604,000 aid for two research groups

BY ROBIN REEVES, WELSH CORRESPONDENT

THE WELSH Development Agency is to invest £604,000 to strengthen the capital base of two North Wales research companies.

One is a £254,000 shares and loan package in Palmer Research Laboratories, of Mostyn, Clwyd, which is working on a new drug to fight leukaemia.

The other is a £350,000 equity and loan investment to enable Robertson Research Group, of Deganwy, Gwynedd, to establish a company, Research Engineering Services, to manufacture geological instruments.

Mr. Ian Gray, managing director of the development agency, said it was broadening its search for likely investment prospects into the non-manufacturing sector, including leisure, tourism, and other service industries providing more than a local need.

The Palmer Research investment will help the company to establish pilot-plant facilities for a new drug, which has proved its ability to destroy leukaemia cells in the test tube and in small animals.

Robertson Research has a world-wide network supplying specialist services for oil and mineral exploration.

Prince Charles views industry

THE Prince of Wales is to visit Coventry Climax on February 6 and Lansing Bagnall, Basingstoke, on February 16. The visits are linked with his meeting last year with the Industrial Trucks Sector Working Party.

UK NEWS

Slackening growth pace shown by indicators

By David Freud

FURTHER SIGNS that the pace of economic growth is now slackening emerged in official inidcators published yesterday.

The Central Statistical Office's indicators of turning points in the economic cycle suggest that growth is now proceeding at a slower rate than earlier last year and is likely to slow still further.

This supports figures released last week which showed that consumer spending had fallen slightly between the third and fourth quarters, while industrial output in the September to November period was 1½ per cent lower than in the previous three months.

Three sets of indicators, the longer-leading looking forward an average of 12 months, the shorter-lending looking forward about five months and the coincident, continued to fall.

The composite index of the shorter-leading indicators started to fall in October and dropped by a further 1 per cent in November. The main reason was a fall in new car registrations.

The composite index for the longer-leading indicators fell in December, to extend the downward movement of this index to 14 months. This suggests there was a turning point in the series of about October, 1977.

The series has dropped by about 16 per cent since September 1977 and is now at its lowest level since 1974, before the recession started.

Car importers view British market with increased optimism

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

IMPORTERS continue to take an optimistic view of their prospects in the UK car and truck markets.

Fiat of Italy, Mercedes-Benz of West Germany and Peugeot of France are the latest companies to issue forecasts for 1979.

Fiat is looking for a 10 per cent increase in sales in the UK this year even though it forecasts that the total market will contract from 1.6m to 1.55m units.

Last year the company sold nearly 74.500 cars in Britain and it expects this to rise to around 80.000 in 1979 and thus to maintain its market share at about 4.5 per cent. The company has lowered its expectations slightly because the right-hand-drive version of the successful new Ritmo medium-sized car will not be available in the UK until the middle of the year.

The company continues to attract new dealers and has set a target of 450. So far the total has reached 395.

Mercedes continues to experience bottle necks in car production and the UK company is to receive about the usual annual allocation in 1979 of just under 7,000 cars which will maintain its 0.5 per cent share of the market.

However, the company has been making considerable headway with its commercial vehicles in the UK. Sales in 1978 were 41 per cent above the previous year's level in unit terms at 4,269 even though the group has no medium-sized trucks available in the UK.

Mr. Erich Krampe, managing director of Mercedes-Benz (UK), says that that kind of progress cannot be continued indefinitely but the company should increase its penetration of the UK truck market again in 1979 and sell 5,000 or more vehicles.

The total UK market for commercial vehicles jumped by nearly 14 per cent in 1978 and Mr. Krampe believes this progress will continue at least for the first half of 1979 but he is more cautious about the outcome of the second half-year.

He sees 1979 as a year of consolidation for the company in which the dealership network and service back-up will be strengthened. But this will be from very firm foundations as dealers are thought to have invested £2m in their outlets in 1977-78 and the company has, among other steps, established a new warehouse at Hayes, Middlesex, containing £7m worth of parts at retail prices.

Peugeot Automobiles UK managing director Mr. Henri Hassid forecasts that sales of his company's cars and light vans in Britain will this year rise by more than 27 per cent to around 40,000.

Last year the company's sales jumped by 38.5 per cent to 31.345 units—the highest percentage increase among major European and Japanese makes.

As a result the UK overtook Italy and Belgium to become the company's third-largest export market behind only West Germany and Holland.

Impetus

The company is now heading for a 3 per cent market share in the UK and the main impetus in 1979 is likely to be provided by the 305. Mr. Hassid said: "We are confident we will sell 10.000 in 1979 compared with 5.000 last year in spite of increased competition in the 305's part of the market from such cars as Chrysler's Horizon, Citroen's Visa, the Renault 18 and the Fiat Ritmo."

Peugeot U.K. turnover, including parts, moved up from £65m in 1977 to £105m last year and should reach £140m this year.

The company has been strengthening its dealership network—nine out of 10 of the 240 dealers now sell only its cars—but wants to add 40 to 60 more, mainly in the North of England.

The launch of Peugeot Finance, a joint company with Mercantile Credit the Barclay's subsidiary, last summer has also made an impact in providing dealers with stocking finance, to put demonstration cars on the road and enabling them to offer hire purchase and leasing schemes.

Petition to wind up bank succeeds

THE DEPARTMENT of Trade succeeded yesterday in a High Court petition to have "fringe bankers" Barnett Christie compulsorily wound up. But the department hand another application, relating to a "bank" called Kendal and Dent, adjourned for 14 days.

For Kendal and Dent, it was said that the company had prepared accounts which it hoped would satisfy the court that "it was fully solvent." The accounts are, however, believed to be heavily qualified by chartered accountants Stoy Hayward.

The petition to wind up Kendal and Dent was presented on December 15, after a report by two Department of Trade inspectors that it was just and equitable that the company should be wound up. On the same day, the Secretary of State for Trade successfully applied to the court for the appointment of the Official Receiver as provisional liquidator. Kendal and Dent says it will seek to discharge the order, and hopes to have its evidence available within 14 days.

Barnett Christie was wound up for failing to file accounts.

Banking Bill amendments 'disappointing'

By Michael Lafferty

GOVERNMENT amendments to the Banking Bill, allowing finance houses and other licensed deposit-taking institutions to make restricted use of the description "banking services," were described by the Finance Houses' Association yesterday as disappointing.

It says the amendments, tabled in the Commons yesterday, do not go far enough. Under the Banking Bill, it is likely that finance houses will be designated as "licensed deposit-taking instiutions" instead of "recognised banks." As such, they would have been prevented from describing themselves as banks, or as providers of banking services.

The amendments mean that this restriction will be slightly reduced. But the use of the words "banking services" is to be restricted in two ways: first, the words may not be used as part of an institution's name; secondly, they may not appear on placards or nameplates. In effect, this probably means that the expresion may appear only on letterheads and other written material.

Spotlighting the cadmium dangers of Shipham

NEWS ANALYSIS

David Fishlock, Science Editor, looks at the case of the 'poisoned village'

IT IS not often that an academic publication helps to make front-page headlines, but this happened with the announcement from the Department of the Environment that it planned to examine medically 1,200 villagers of Shipham, Somerset, and test the dusts, soils, and so forth of their surroundings.

The publication in question is unlikely to make the best-seller lists; it is the Wolfson Geochemical Atlas of England and Wales, with the finance for the lengthy research programme behind it coming from the Wolfson Foundation.

The book, just published by the Clarendon Press, is the outcome of a research project led by Prof. J. S. Webb of the Department of Geology at Imperial College, South Kensington. It surveys 21 metals, from aluminium and arsenic to vanadium and zinc, in the soil of England and Wales.

Their project aim was to map mineralisation and disclose any relationship between minerals and health hazards.

In August the compilers told the Environment Department that their intensive sampling of stream sediments had revealed an anomaly which might be worrisome.

They had found that the village of Shipham, partly built on old zinc mine workings, had levels of cadmium in the soil 100, and in some places 1,000, times the national average.

The concern is because cadmium is recognised as a toxic metal capable of causing disease and even death if ingested in small quantities. Cadmium is normally associated with zinc in its ores, although as a metal it is of comparatively recent significance, mostly as in yellow pigments and as a rust-resisting electroplated coating on steel.

Shipham's high cadmium level was not the first geochemical anomaly noticed by these researchers. In the mid-1970s they turned up high levels of lead in the Peak District of Derbyshire, again above old mine workings from Roman times.

The area affected covered 100 sq kms. The soil had as much as 2,000 parts a million of lead.

With the assistance of farmers and vets they investigated the effect these high-lead values might have on cattle grazing on these soils.

Though there was evidence that some cattle had not been doing too well, they discovered that very little of the lead migrated from soil into grass and hence into the cattle. Local children had a higher body burden of lead, for example, more in their hair, but only slightly, and apparently not enough to affect their health.

A key figure in this work on the lead anomaly was Dr. Ian Thornton, an agricultural scientist with Prof. Webb's group working on the atlas. Yesterday Dr. Thornton was off to Somerset for last night's public meeting when Government officials spoke to the villagers of Shipham on what the weekend panic was all about.

For most villagers it all began with a letter from Sedgemoor District Council, delivered by hand on Friday, urging them to stop eating vegetables grown in their gardens and give up smoking, as cadmium is a readily vaporised metal.

It said: "Although there is no evidence that anyone has or will come to harm from eating locally-grown food, as a precautionary measure you are advised to avoid eating produce grown in your garden until the results of the survey are known."

The survey aims to find whether anyone has been harmed by the fact that Shipham has lived for many decades on ground heavily contaminated with cadmium, some houses even built on mine spoil.

First indications are that they have met no more harm than the Derbyshire cattle. No-one appears to have had acute cadmium poisoning of the kind caused in Japan. The reason may be simply that Shipham is far less dependent for its food on the contaminated surroundings.

Shipham is only one of several areas of England and Wales found by Imperial College to have high levels of cadmium, most in old zinc and lead-mining districts.

City Takeover Panel foresees tighter rules on bids

FINANCIAL TIMES REPORTER

THE CITY TAKEOVER Panel thinks that its rules over agreed bids may have to be tightened.

"It may not always be in the interests of their shareholders that the target board has agreed to a merger, and we wondered whether there ought not to be better machinery for ensuring that shareholders in such a case got further independent advice," Lord Shawcross, chairman of the takeover panel, said.

He was giving evidence—published yesterday—to the Wilson Committee on the workings of the City. The Takeover Panel was closely questioned on any weaknesses that might still exist in regulating bids and mergers under the City Code. It was also asked whether its powers, unsupported by legislation, were effective in creating an orderly bid market.

In the main, Lord Shawcross and Mr. David Macdonald, the director-general, were convinced of the panel's powers to deter unfair bids and expose wrongdoers to public censure.

Lord Shawcross, however, repeated his view that statutory deterrents were valuable in cases of insider dealing. But he thought prosecutions would be rare "because those cases are very difficult to establish."

He also echoed the widely-felt concern that such legislation might deter directors from holding shares in their companies, something he believed to be desirable.

Apart from the area of agreed takeover bids, where no decision has yet been reached, the panel has not uncovered major weaknesses in the City's control of bids. It does not feel that the establishment of the Council for the Securities Industry will undermine, or indeed change in any way, the workings of the panel.

Evidence, that is also published from the European Commission's directorate on the financial institutions, which aims to harmonise rules among member countries to allow freedom of entry into all the common financial markets. The two Commissioners, who were giving evidence, Mr. Bus Henriksen and Mr. Gerard Imbert, stressed that this did not mean that all local regulations would be rendered obselete.

Prospectuses

Towards the end of this year the directorate expected to set out common rules for listing on European stock exchanges. That would be followed by a directive on the basic requirements for a prospectus.

The aim is to eliminate any obstacles to trading in securities throughout the EEC and enable companies to obtain listings on any exchange.

One other important area for harmonisation was banking, the Commissioners said. "The scope for a European market in banking will not exist as long as we have severe restrictions on capital transactions in member states," Mr. Henriksen said.

For that reason the directorate is about to issue principles for annual accounts for all member banks, to be followed by a common set of returns to the national authorities so that information disclosed is comparable. Only after that stage, it was stated, "can we start experimenting with ratios used for prudential control."

The Commissioners admitted that it would not be possible to open up a common European market in building financing soon.

Similarly no progress had been made in the field of taxation, particularly corporation tax. A directive was presented in 1975 and "it is still stuck in the European Parliament," Mr. Henriksen said.

In the insurance sector, on the other hand, the second directive on provision of services in the non-life sector can be expected by next year. "We would also expect to see the forthcoming directives on insurance contracts on legal defence insurance and on credit insurance coming through."

● The Wilson Committee's report on the financing of small companies is expected to be published in mid-February. At about the same time the evidence of the insurance companies, Lloyd's and the Committee on Invisible Exports will also be published. Later in the month it will be the turn of the clearing banks and the building societies, followed by the Bank of England and the Stock Exchange early in March.

Most of the individual bodies concerned have published their written evidence. Interest will focus on the oral evidence before the Committee.

Belvoir pit plan inquiry

By David Fishlock

MR. PETER SHORE, Environment Secretary, is expected this week to call in for public inquiry National Coal Board plans for a mine in the Vale of Belvoir.

The inquiry, to start in April, will probably be in two parts, along lines sketched by Mr. Shore in an address last September, with the second part next October.

Its significance for the NCB lies in the fact that it will be the first inquiry into a coal mining project to delve into national energy issues.

Its previous experience has been confined to local issues—for example new open-cast mines and the deep mine at Selby.

But the Vale of Belvoir project intrudes upon rich agricultural land and rights of landowners in a region with no mining tradition. It also arouses the antagonism of those who believe that Britain should learn to manage on a much smaller energy budget.

Granada TV names top journalists

Financial Times Reporter

PETER JENKINS, political columnist of the Guardian, has won the 1978 Journalist of the Year award, which is sponsored by the Granada television programme What the Papers Say.

Presenting the award, Anthony Howard, former editor of the New Statesman, said the panel had unanimously named Mr. Jenkins "for accuracy, for consistency and for some remarkable courage under fire."

Mr. Jenkins had written that there were "advocates of postponement" on an autumn election before the Prime Minister had said he would postpone it. He had also disclosed that the Prime Minister and the Chancellor had decided against joining the European Monetary System —"risking a rebuke from the Prime Minister himself."

Martin Bailey and Bernard Rivers won the award for investigative journalists of the year for their work on the Rhodesian oil-sanctions-busting story.

Auberon Waugh won the columnist of the year award; while Frank Keating, of the Guardian, was named sports writer of the year. The Daily Mirror won the scoop of the year award for a story on Miss Joyce McKinney.

Christie's to offer 1611 Bible and Caxton book

SALEROOM

BY ANTONY THORNCROFT

JANUARY IS always a quiet month in the London salerooms but plenty of auctions are already planned for later in the year. On June 13 and 14 Christie's will be auctioning the first part of the Arthur Amory Houghton Jr. collection of items of English literature, with the second part going a year later.

Mr. Houghton, an American and curator of rare books at the Library of Congress for two years, has one of the finest private collections. The first sale will include Caxton's Chronicles of England, printed in 1480; an extremely rare first issue of Edward VI's Booke of Common Prayer; and a copy of the 1611 Bible, with the Garter Arms.

The collection is expected to bring in more than £1m, about the same sum Mr. Houghton received for selling a copy of the Gutenberg Bible to the Gutenberg Museum last year.

Other treasures include a presentation copy of Ben Jonson's Workes; the Kilmarnock edition of Burns' Poems; and a copy of Blake's Songs of Innocence and Experience, probably hand coloured by Blake himself; and an unequalled collection of Browning manuscripts, including an autograph manuscript of the Sonnets from the Portuguese.

At Christie's, South Kensington, yesterday there were many new dealers and private buyers at a sale of Goss, fairings, pot lids, and Staffordshire figures. Pot lids were going above estimate, a late lid, New York Exhibition, 1853, making £460.

Goss was also in demand, a late figure of the Trusty Servant *selling for £210. In the oriental* ceramics auction, which fetched £17,768, large Victorian items did well, a pair of Chinese blue and white vases realising £720.

Sotheby's sold icons for £79,275. A large icon panel of the 18th century made £1,750, and a neo-classical repoussé and chased silver gilt Oklad for an icon of St. Nicholas, produced in Moscow in 1800, £1,600.

Transfer of flights resisted

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR CANADA is determined to resist the Government's attempts to make it transfer services from Heathrow to Gatwick, to ease congestion.

Mr. Bill Verrier, Air Canada's general manager, UK and Ireland, said in London yesterday that the airline estimated that by moving to Gatwick, it would incur an operational loss of C$16m (about £7m) in 1980, and that by 1989, this would have risen to about C$45m—nearly £20m a year.

For the period 1980-89, the cumulative losses would be as much as C$275m—about £120m.

These covered the loss of connecting traffic to other airlines at Heathrow and other aspects of the move, such as the inability of Gatwick's single runway to handle some of Air Canada's long-haul traffic with big, heavy aircraft like Boeing 747s.

The airline completed presentations to the Department of Trade on January 8, and the matter is now in the hands of the two Governments. No further inter-Governmental talks are yet planned.

● The British Airports Authority is to spend over £1.15m on improving the public catering and shopping facilities at Heathrow's Terminal One, used by British Airways for European international and domestic short-haul flights.

The terminal is used by more than 10m passengers a year.

● The Authority confirmed yesterday that following the recent UK-Scandinavian air services agreement, there will be more flights to Scandinavia from Gatwick this year.

Scandinavian Airlines System and British Airways will each provide a daily service from Gatwick to Copenhagen this summer. Next year, there will be a daily service to Stockholm, and in 1981 a daily service to Oslo.

UK NEWS

Concorde set for new take-off on expanded network

Michael Donne examines the changed fortunes of Concorde since it started passenger flights three years ago. Its efficiency and success have been greater than British Airways had ever hoped for, and the growing interest of world airlines is expected to bring more partnerhips such as the new Singapore deal and ensure the aircraft's future.

THE RESUMPTION tomorrow of joint Concorde flights to and from Singapore by British Airways and Singapore Airlines is another major boost for the supersonic airliner.

Together with other developments, such as the recent start of subsonic flights by Braniff Airways between Washington and Dallas/Fort Worth, the imminent Concorde refinancing deal between British Airways and the UK Government, and the growing interest being shown by other world airlines, it seems that Concorde's fortunes are at last looking up.

Not that the aircraft has done all that badly since it entered regular airline service with British Airways between London and Bahrain, and with Air France between Paris and Dakar and Rio, in January, 1976, with BA and Air France flights to Washington starting in May, 1976, and to New York in November, 1977. Other current Concorde routes include Air France flights to Caracas, and between Washington and Mexico City.

Singapore deal

The overall load factor (the percentage of seats sold) for all Concorde routes is 60 per cent, with over 275,000 passengers carried to date. On the New York route alone, British Airway has reported load factors of up to 95 per cent while for all transatlantic operations by both BA and Air France, the overall load factor is 70 per cent. Reliability has been good. In more than 5,600 scheduled flights, involving over 19,100 hours of flying, Concorde has made 92 per cent of its take-offs either on time or within 15 minutes of the scheduled take-off time.

Now, the aircraft is poised for a new take-off. With three flights a week each way between London and Singapore, via Bahrain, British Airways and Singapore Airlines will add over 1,000 hours of utilisation a year to the Concorde fleet. Together with the recently introduced Braniff subsonic Washington-Dallas/Fort Worth operation three times a week in conjunction with British Airways, each of BA's five Concordes will be flying an average of 1,850 hours a year, or just over five hours a day. This is still short *of the seven-and-a-half hours per* aircraft a day that British Airways has said it needs for profitable operations, but it is better than the airline dared hope to achieve when it began Concorde passenger flights three years ago.

Eventual profitability depends upon expanding the route network further, but there seems little doubt that this will occur within the next year or so. Braniff itself is enthusiastic about Concorde, and is already saying that if its present subsonic venture works as well as it hopes, there could be supersonic Concorde flights by Braniff between New York and Lima and Santiago via Panama City, and non-stop between Los Angeles and Lima, next year. For this Braniff would lease an aircraft of its own from British Airways, in addition *to its joint operation* agreement with BA and Air France on the Washington-*Dallas*/Fort Worth route.

Singapore Airlines is just as keen on the aircraft, but wants to see how well it operates on the resumed London-Bahrain-Singapore route before committing itself to expansion. The Singapore flights began *in* December, 1977, but were halted after only three flights each way when the Malaysian Govern*ment* objected to the aircraft flying through its air space down the Straits of Malacca, although it did not pass over the Malaysian mainland itself. After exhaustive discussions throughout last year, the Malaysians have at last agreed to a resumption of flights, but they have reserved the right to halt them again if they feel the aircraft causes environmental damage. But the UK has revised Concorde's track down the *Straits of Malacca, to take it* further away from Malaysia while still passing through the Malaysian Flight Information Region, so that hopefully there will be less reason for that country to claim environmental damage from sonic booms.

From Singapore, the possibilities for route expansion are *considerable, including* flights to such points as Hong Kong, Manila, and Seoul in South Korea, with Japanese destinations also possible once that country accepts that Concorde is less damaging environmentally than many Japanese lobbies have claimed hitherto.

Following the deals between British Airways and Braniff and Singapore Airlines, several other airlines have become interested in Concorde. These *include Continental Airlines of* the U.S., which has recently been awarded some new Pacific routes, and Pan American, *which is now becoming con*cerned about the impact Concorde is making on first-class traffic between London and New York was 13 BA flights a week.

One of the factors behind this increasing interest is the improving economic performance of the aircraft. As with all airliners, technical *modifications with Concorde* have evolved directly as a result of regular in-flight experience.

Probably the most significant of these is what is called the "thin-lip air intake"—in effect, an enlargement of the holes through which more air can be gulped by the engines. This improves overall efficiency, and can cut the fuel load on a long-haul flight by a smuch as 1,000 kilogrammes. The weight saved on fuel can be used to carry more passengers, or for thesame fuel load the aircraft can fly over 200 miles more. This in turn means that cuts *in the range or the passenger* load originally forced on the aircraft by environmental and climatic problems can be *restored. For example, on some* very hot days, passenger loads have had to be cut in the past to enable Concorde to get out of Washington en route to London.

Similarly, because of the refusal of the Indian Government to allow Concorde to fly supersonically across its territory, the aircraft has had *to go round the southern tip,* requiring more fuel to cope with the extra distance, and thus reducing the number of *passengers carried. In both* cases, the new engine modifications will help to redress these economic penalties.

This new engine air intake has been developed by British Aerospace, with aid from the Department of Industry. It is so far exclusive to British Airways' five Concordes. If Air France wants *it, it will have to* buy it from the UK .. But because of the economic benefits it yields, it is described as a "self-financing" development, and Air France is expected to adopt it.

Another factor which seems likely considerably to influence Concorde's fortunes is the imminence of an agreement between British Airways and the UK Government, for the refinancing of BA's fleet of five aircraft. Details of this deal are still being worked out, but broadly the intention is for BA's long-term debt of £150m for five aircraft to be restructured, perhaps by increasing the airline's Public Dividend Capital, so as to remove the immediate burden of interest and depreciation.

Depreciation

BA's annual report for 1977-78 suggested that Concorde *lost £17m in that year, of which* only £2m was on direct operations, the remaining £15m being interest and depreciation *charges. If BA can divest itself* of the depreciation burden, it seems likely that with the increasing utilisation of the aircraft at higher load factors, there is a good chance of Concorde profits by 1980 and beyond.

This, in turn, is likely to encourage more airlines to seek leasing or inter-change deals with BA. The prospective deal with the UK Government is also expected to require the airline to take over the remaining two unsold Concordes off the UK assembly line—one of which has flown already but is now grounded at Filton, near Bristol, on a "care and maintenance" basis, while the other flies for the first time this spring.

With seven aircraft in its fleet, BA will need to find several other partner *airlines* with whom to fly the aircraft, and for this reason alone it can be expected to negotiate deals vigorously in the months ahead. Air France, which at present has four Concordes, is expected to come to a similar arrangement with the French Government whereby it will take up the three unsold aircraft off the French assembly line, raising its fleet to seven. This will mean that 14 of the 16 production aircraft will be put into airline service.

There remains the question of any "second generation" Concorde. This does not appear to be *imminent, in spite of* recent comments by the French Transport Minister, M. Joel de Theule.

What seems most likely is that, well before then, the UK, French and U.S. aerospace *industries will have combined* to build a second-generation airliner, probably much bigger than Concorde, seating about 250 pasengers, and perhaps flying slightly faster than the present Mach 2.2 (twice the speed of sound, or about 1,2[illegible] mph).

Bid to rescue Triang enters crucial week

BY ROBIN REEVES, WELSH CORRESPONDENT

THE BID by Triang employees to save the ailing company and make it a going concern enters a decisive phase this week.

Senior executives from the Canada-based Pioneer Chain Saw company, which has shown interest in Triang's plight, are due to visit South Wales for talks with the Welsh Development Agency, the Welsh TUC and The Workforce Action Committee.

All but 50 of the original 325 employees at Triang have now been made redundant by the Official Receiver and some of the dismissed workforce has drifted away, in spite of the Action Committee's efforts since December to operate a "work in" to retain the labour force. But over 200 employees are continuing to attend the Action Committee's weekly meetings.

The WDA has indicated it is prepared to invest new funds in Triang, but only in partnership with a private sector injection of management and capital. Pioneer Chain Saw is widely regarded as the last hope for saving the Merthyr Tydfil-based company.

Efforts

If a rescue fail to materialise, the signs are that the WDA and Wales TUC efforts will concentrate on trying to salvage a slimmed down operation employing 50 to 80 workers.

The crisis at Triang was precipitated in December by the Government's refusal to give further financial aid. Since 1975, it has given nearly £4m to the company. But the decision has aroused widespread concern throughout the Merthyr area, which has also been hit by cutbacks and redundancies at Hoover, the town's largest employer.

A petition calling on the Government to reverse its decision and make the necessary money available through the WDA has collected over 10,000 signatures. The Triang Action Committee hopes to hand it to Mr. Callaghan, the Prime Minister, in Cardiff soon.

Order sought over smallpox summons

BIRMINGHAM University was yesterday given permission to seek a High Court order preventing the city's magistrates hearing a summons brought against it after last September's smallpox outbreak.

The summons, due to be heard on Friday, was issued by the Health and Safety Executive after an investigation into the smallpox outbreak in which Mrs. Janet Parker, 40, a medical photographer died.

In a half-minute application to the Queen's Bench Divisional Court in London yesterday, Mr. Brian Escott Cox, QC, for the University, said the basis of the move to the hearing was that there had been a contempt of court which would prejudice the defence.

Lord Widgery, the Lord Chief Justice, sitting with Lord Justice Bridge and Mr. Justice Caulfield, said: "We have read the papers in this case and are satisfied there is an arguable point."

Neither the Health and Safety Executive nor the magistrates were represented in court yesterday, but will have an *opportunity of being heard* at the full hearing of the University's application for an "order of prohibition" against the magistrates.

Fleetwood fish landing group given reprieve

FINANCIAL TIMES REPORTER

FLEETWOOD FISHING Vessel Owners' Association—the Lancashire port's key fish landing company—is to continue its operations until the end of March. The company announced in November that it would have to call in the liquidators, since when there have been three postponements.

The latest decision was taken after talks in Whitehall with the Agriculture Ministry which has promised £1.2m worth of dock charge rebates for the fishing ports of Fleetwood Hull and Grimsby — Fleetwood's share is believed to amount to £180,000.

Port leaders welcomed the news and said it would give a breathing space to allow talks to continue on formation of a new fish landing organisation.

Without landing facilities the 2,300 redundancies and an unemployment rate of over 20 per cent.

Home loans group richer

THE SUNDERLAND and Shields Building Society is now close to a £100m assets mark, with provisional figures for 1978 showing assets at £94.93m, a 16 per cent increase on 1977.

The society has also topped the 26 per cent national average increase in mortgages advanced in 1978. New mortgages totalled a record £21.95m, more than 39 per cent up on the previous year.

New investments from institutions and the public totalled £32.85m, compared with £27.22m in 1977.

Two McNeill companies sold

THE JOINT Receivers appointed in November to the McNeill Group, Ulster concrete and structural engineers, have sold two of the group's smaller subsidiaries.

B. C. Plant, a Belfast machinery distribution company has bought McNeill Engines and McNeill Engines (Ireland), which market and service Perkins engines in Ulster and the *Republic.*

New rise soon in house prices

HOUSE PRICES may rise more sharply in spring and early summer, the Royal Institution of Chartered Surveyors says. It expects faster inflation.

A price survey by the *institution* last month showed that in the last quarter of 1978, inter-war semi-detached houses had seen quite a small rise but many needed modernisation and the increasing cost of that would *push up prices this year.*

UK NEWS—LABOUR

Food manufacturers use 'ingenuity' to maintain output

BY CHRISTOPHER PARKES

FOOD MANUFACTURERS are using what they term "ingenuity" to keep supplies of raw materials trickling into their factories.

Output is slowing, but fewer workers have been laid off or factories closed than expected a week ago.

The industry said that some raw materials were being moved by night. Others were reaching works at weekends, when pickets were fewer or less attentive.

Although output of edible oils and fats is severely restricted at the bigger plants, at least two of the country's leading consumers are said tob e getting supplies through.

"Ingenuity" has enabled most cake and biscuit factories to keep going, for example, although production is thought to be half normal.

Ten days ago the Cake and Biscuit Allance predicted that most of the industry would be shut by now. However, only a quarter of the work force has been laid off and most factories reported closing last week have reopened.

The relaxations however, are merely easing the food manufacturing industry into a state of limbo, according to Mr. Tim Fortescue, secretary general of the Food and Drink Industries Council.

Supplies from factories to shops were running seriously low, he said. Continued picketing was leading to big shortages and serious layoffs.

Pickets were beginning to disappear from wholesale fruit and vegetable markets and movements of produce were going smoothly in spite of some local shortages of imported fruit and salads.

The Ministry of Agriculture's daily report betrayed unease at shortages developing in the distribution chains supplying shops, although the run-down of stocks over the weekend had not been so severe as in the recent past.

Picketing of food supplies was easing in some areas but tightening in others. Some retailers had received deliveries of sugar and a few lucks ones had salt in stock.

Sugar, salt, margarine and canned and frozen goods were short, but the severity varied greatly from area to area and even from shop to shop.

Animal feed supplies were still moving in most regions, although the BOCM-Silcock mill at Selby was said to be intensively picketed.

Food supplies again reach supermarkets

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

FOOD SUPPLIES to the big supermarket multiples were increasing yesterday as pickets relaxed their blockade of food depots.

But pickets were still reported at Tesco's northern supply depot at Winsford, Cheshire. They again refused to obey official union instructions to let supplies into the depot, although Tesco's own delivery vans were allowed to leave.

With about half normal supplies now getting through to supermarket depots compared with only a quarter last week, the pressure on supplies has eased. But supermarket chiefs were making it clear yesterday that supplies were still insufficient to meet demand in the long-term.

In the shops, there were no reports of any extensive panic-buying. Monday is normally a quiet trading day with some stores, such as Sainsburys, closed for re-stocking after the week-end rush.

Although there appear to be fewer gaps on supermarket shelves, there are still shortages of basic commodities and some tinned foods.

Cash shortage faces Port of London soon

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE LORRY drivers' strike is costing the Port of London £1m a day and pushing it rapidly towards a critical cash shortage, the port authority said yesterday.

Mr. John Presland, managing director of the authority, says in today's Port newspaper that the cash crisis will occur "within weeks" if nothing is done to relieve the financial pressure caused by the strike.

Althouhg the authority has been granted £35m in Government aid to finance a rundown of manpower, it is expected to meet other expenses from its own revenue. But the strike has made this impossible.

It is likely that the authority will have to approach the Government to activate its promise last August to back £10m in loans to keep the port.

There are 2,700 surplus dockers this week, compared with a normal average of 1,500, including absentees. At Liverpool, the surplus list has reached 1,000—almost double the usual figure.

The general impression from the ports yesterday was that the blockade caused by picketing is getting worse, rather than better.

Lorry drivers were said to be ignoring the Transport and General Workers' Union code on picketing at all the major ports.

However, drivers at Hull have voted to observe the code from today. This should permit food warehouses and shops to be re-stocked and the port's fish merchants were hopeful that the first trawler for five weeks will be able to land a catch for despatch to inland markets and processing factories.

About 2,000 fish process workers have been laid off because of the fish shortage.

About 1.5m tons of exports worth more than £1bn have now been trapped by the strike, according to the latest estimate of the General Council of British Shipping.

The National Ports Council estimates that only about 5 per cent of exports are getting out of the country, mostly through roll-on roll-off terminals.

Ports, however, are continuing to squeeze imports into already packed sheds, but Hull's Alexnandra dock is expected to be full after today.

Picketing was stepped up yesterday, at Teesport, where only the steel berth, which, is served by rail, was said to be working almost normally.

Most other ports have shown little change from the conditions of last week with very little road traffic entering the docks. However, Continental lorry drivers are still being allowed to cross picket lines.

Cowley car plant shutting

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ALL CAR assembly at BL's biggest car plant, Cowley, was expected to halt this morning at the end of the night shift, affecting 5,000 employees altogether.

The Maxi and Princess lines closed last week, involving 1,600 workers, and the Marina lines have been stopped by component shortages.

The impact of the Cowley closure should soon be felt at the Pressed Steel Fisher plants, which supply components. Thousands more jobs are likely to be affected soon.

BL said last night: "We are becoming increasingly concerned about the time it will take to get things back to normal after the dispute ends."

The other UK car assembly concerns are still working on a day-to-day basis. But, as Vauxhall said last night: "Production is getting more and more difficult and obviously we are loosing vehicles."

Engineering relieved, hopeful

BY MAURICE SAMUELSON

THE ENGINEERING industry began the working week relieved that the predicted heavy layoffs had not occurred. Several areas were cautiously hopeful, although some still saw the lorry drivers' strike biting deeper in the next few days.

Some smaller companies in the North have resumed production following receipt of heating oil. Most layoffs reported yesterday were in foundries, unable to get sand or coke, or companies unable to obtain other raw materials.

CH Industrials said it might lay off more than 300 this week, a third of its workforce, because its paint factory lacks containers. Other CHI factories at Telford and Coventry were also threatened and the group said it stood to lose more than £60,000 a month in exports.

But most engineers in Coventry are not badly hit, the Federation said.

There were only about 530 engineering layoffs in Yorkshire and Humberside. Casualties include Sagar Richards, of Halifax, which is short of copper; and Charles Holmes of Hull (shortage of foundry sand).

Ideal Standard, the boiler maker, has laid off 350, and difficulties were reported at Stelrad, part of the Metal Box group, which makes central heating equipment.

In the north where layoffs known to the Engineering Employers' Federation are fewer than 1,000, no new cases were reported yesterday. Some companies are believed to be circumventing the strike with evening deliveries, when pickets have gone home.

Blockade in North tightens as drivers ballot against 15%

BY RHYS DAVID, NORTHERN CORRESPONDENT

THE NEW code on secondary picketing agreed last week by the Transport and General Workers' Union is meeting a mixed reception in the North. Some employers said that blockades at their premises had intensified yesterday.

Drivers' mass meetings in Preston and Warrington rejected the code and voted to continue picketing at companies not involved in the dispute.

A more moderate line appeared to have been taken in Hull, where industry for most of last week has been virtually cut off.

A meeting of drivers addressed by Mr. David Cairns, a local union official, agreed to allow non-haulage company vehicles through picket lines. Owner drivers will also be allowed through if they can prove union permission as will haulage companies that have agreed the full union demand.

Companies in that group will have to apply at union offices for permission.

Drivers in Wigan, agreed to accept the code and 400 more in Manchester also called for a return to work. However, the men, who marched on the union's offices, voted against 15 per cent.

In Manchester and Liverpool there is little sign that enthusiasms for the strike is diminishing, and with picketing still intense, the number of workers laid off has risen further.

The total, 30,000 at the weekend, rose yesterday to 36,000 in the north-west, and includes only workers who have registered with the Employment Department for benefits.

Many others have yet to sign on and many companies are finding work for their employees. By this weekend, the North-west's total is expected to reach 50,000.

In Yorkshire, where the strike appears to be similarly solid, registered layoffs are put at 35,000, including 14,000 in the steel industry in Sheffield, and 13,000 in food and allied industries.

Few shortages in shops are reported, although it is thought that supplies might begin to run low soon as stocks in warehouses diminish.

Concern is growing over pharmaceutical supplies because of the blockade of chemical companies. Hospitals and chemists in the North-west are being asked to take stock in order to bring to light any potential shortages.

Strikes by bus crews have been adding to the difficulty in the North. Buses have been off the road in Manchester, Leeds, Bradford and Huddersfield in support of pay claims.

North West water men vote to end strike

BY RHYS DAVID

WATER WORKERS in northern Manchester have voted narrowly in a secret ballot to call off their 11-day-old strike.

The stoppage by 600 men over a pay claim led to more than 2,000 homes having their supplies cut off and halted maintenance work throughout the North West Water Authority's Pennine division.

A mass meeting of the men in Royton, near Oldham, yesterday voted 205 in favour and 200 against accepting a revised pay offer of 14 per cent made by the employers nationally last week.

The men had been told by shop stewards that there was little more to be gained from prolonging their action. Many at a stormy meeting protested, however, that a better deal could be gained by staying out.

The water authority has said that it will be some time before supplies return to normal.

Because of the day of action by public service workers yesterday, 70 per cent of water workers in the region were estimated to have been on strike.

British Salt customers helped by concession

BY LISA WOOD

CUSTOMERS of British Salt in Cheshire were enabled to pick up their own salt yesterday when pickets allowed loads of salt to be broken down.

Last week British Salt, which normally supplies between 600 and 800 tonnes of dry bagged salt a day to industry, including food and pharmaceuticals, could only send out 10 20-tonne loads of dry salt a day.

That posed difficulties for customers without facilities for such quantities. About 200 tonnes left yesterday.

Pickets are allowing out more salt for hospital use, as long as the driver is a union member and gives his wages for that consignment to charity.

No rock salt for road gritting has left British Salt for two weeks. At ICI, which agreed with the Transport and General Workers' Union last week at its Cheshire rock salt depot, the United Road Transport Union objected to the arrangement.

Its pickets say that local authorities can still collect salt for roads but only in their own lorries. ICI said that few councils had vehicles suitable for carrying large quantities of road salt.

The Royal Automobile Club said that some local authorities had almost exhausted their stocks.

Leaders ousted at public service unions' rally

BY PAULINE CLARK, LABOUR STAFF

ANGRY DEMONSTRATORS in public service unions shouted down their leaders in Central Hall, Westminster, yesterday and demanded a national strike if they failed to obtain a big pay rise for the low paid. Hecklers later took over the platform.

About 3,000 demonstrators had gathered in the hall after a protest march from Hyde Park in which the police said that 20,000 people took part. Earlier estimates put those at the rally at 40,000, with the four unions involved claiming many more.

Leaders of the General and Municipal Workers' Union, the Transport and General Workers' Union, the National Union of Public Employees, and the Confederation of Health Service Employees, demanded that public service workers' pay should be restored to the 1974 level of two-thirds of pay in the private sector.

Industrial action increases in South

BY COLLEEN TOOMEY

PICKETS in the South of England were ignoring the Transport and General Workers' Union code of conduct and in some cases stepping up industrial action yesterday.

The South has escaped mass layoffs and widespread raw material shortages. However, Mr. Jonathan Roberts, director of the Confederation of British Industry's southern region, said that by the end of the week it might be in a similar position to that of other regions.

Secondary picketing has not eased and many manufacturers are failing to receive chemicals and components.

Southampton docks are still being picketed. Berkshire Printing has 300 tonnes of packaging material for the food industry "trapped" there and Mr. Ken Cotton, managing director, has complained to the Prime Minister that pickets are not allowing his drivers through.

More lorries were getting into Tilbury docks. Before 9am, 35 grain lorries had picked up supplies compared with 36 for the whole of Friday. The normal traffic is 200 vehicles a day.

With only 1-20th of goods able to leave the UK, many manufacturers are becoming increasingly pessimistic about future orders.

The London sale of export certificates and cardets as a daily average for January has fallen by a quarter compared to December, the London Chamber of Commerce and Industry said.

Pessimism on the part of exporters to the Middle East is illustrated in a fall in certificate sales this month to 450 a day against 700 in December. EEC export sales certificates have fallen by a fifth.

Avonmouth picketing causes fuel shortage

By Robin Reeves, Welsh Correspondent

SHORTAGE OF diesel fuel is still causing concern in the South West. Although adequate supplies are reaching priority users, stringent picketing at Avonmouth fuel depot has caused many garages in the region to run out of Derv and they are unable to get fresh supplies.

Because of the fuel shortage, more companies in Bristol and the South-west are considering layoffs. Suppliers are unhappy about delivering to the area in case the shortage prevents their vehicles from returning.

Companies in the region are also growing increasingly short of raw materials and other inputs because of picketing elsewhere.

TGWU South West headquarters said that supplies were generally flowing more easily out of Avonmouth than a week ago. The shortage fears arose partly because computer-controlled deliveries to companies were still suffering the backlog of the tanker drivers strike, he said.

In Wales, Mr. Ian Kelsall, the CBI Wales Secretary, warned that "desperate" shortages of some materials could produce a "domino effect" right through industry.

Pickets were still on duty at docks, steelworks, some industrial estates and many individual companies, but "own account" vehicles were being allowed through picket lines, he said.

One bright spot on the Welsh industrial scene yesterday was the return to work of 680 employees at the Avana Bakery group in Cardiff and Newport.

Lorries break picket

A CONVOY of 50 picket-breaking lorry drivers yesterday drove into Sheerness docks, Isle of Sheppey, Kent.

The strikebreakers were all owner-drivers — mainly from Kent.

Fears of trouble with secondary pickets from London were quashed when only three local strikers appeared on picket duty.

The lorry owners decided to go back to work together in case they met resistance from hard-line strikers. About 20 police were standing by.

Most drivers congregated in Westminster lorry park near the docks and went through in a stream for about an hour. By late last night it was estimated that at least 100 lorries had crossed the picket.

Mr. Clark Sturgis, an owner lorry driver, said: "We expected a bit of trouble—that is why we went in a group. We can't afford to keep off work any longer.

"I have got hp payments on my lorry at £400 a month and I will soon be in debt.

"I feel sorry for the strikers and understand their feelings, but I have got a family to think about."

As the lorries passed into the docks the pickets wrote down their registration numbers.

Construction 'will soon be hit'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

WARNINGS THAT construction industry output could soon face serious disruption as a result of the hauliers' dispute came yesterday from the contractors.

They were voiced in spite of the existence of an agreement between the building employers and the Transport and General Workers' Union that members associated with the construction industry should not, because of a separate agreement, be involved in the present strike.

Reports suggest that most construction transport men have been following the "normal working" instruction issued last week by the union. But the combined effects of secondary picketing, rail disruption and lingering fuel supply problems are causing mounting problems for material suppliers.

Both deliveries of raw materials and of products to customers are being affected with increasing regularity.

The National Federation of Building Trades Employers said last night that although it had received details of work being held up on specific construction sites, there had not yet been any widespread disruption which had led to significant lay-offs. But, the situation was likely to deteriorate rapidly if supplies were held up for another week.

According to the federation, disruption to construction work is patchy, with the worst hit areas reportedly in the north-west, north-east and south-west. Secondary picketing and diesel fuel shortages were still affecting deliveries of vital materials.

Most contractors and materials suppliers are agreed, however, that the full impact of the run-down in supplies has to some extent been temporarily softened by the bad weather and the seasonally low level of activity.

The National Council of Building Material Producers reported that members were making plans for "lay-offs in significant numbers."

One of the worst affected areas involves timber supplies, most of which have been held up at ports since the strike began. As a result, woodworking and joinery contractors are among the first sectors of the construction industry to be affected.

At Hull, for example, International Timber has been unable to take delivery of imports and neither has it managed to get products out to customers because of picketing activity.

Plasterboard supplies are also threatened, with British Gypsum reporting that deliveries were progressively deteriorating.

Blue Circle reported that diesel fuel shortages in some regions, notably the West Country, was threatening deliveries of cement to customers. Some smaller depots had only one or two days stock of fuel left and then deliveries would cease unless alternative supplies of fuel were moved in.

The company also said that it was experiencing "slight problems" elsewhere and reported low or non-existent cement stocks at some depots, particularly near Birmingham and Coventry.

This had been caused by the rail strike, which threatened serious disruption to the movement of bulk cement from its manufacturing plants to depots. Secondary picketing which had affected some operations in the North had now ended.

Pilkington, the glass manufacturer, has one quarter of its St. Helens workforce in Lancashire laid off after yesterday's completed production run-down at its fibreglass insulation factory where 1,350 people are employed.

More than half Pilkington's 22,000 employees are at St. Helens, which has incurred more lay-offs than any other area of glass manufacture. Of Pilkington's total 3,650 UK layoffs, 3,000 come from St. Helens.

The company's float-glass factory is continuing to produce for the time being, while its Wrexham fibreglass reinforcements factory has halved its pre-strike production and laid off 300 of its 850 workforce.

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Midlands pickets 'abide by code'

BY ARTHUR SMITH

HOPES ARE rising in the Midlands that the lorry drivers' picketing of supplies to the region might be easing.

Both the region's Government emergency committees reported yesterday that the unions appeared to be adhering to the agreed code of conduct.

The Confederation of British Industry said that picketing seemed to have eased. Companies held out greater hopes that production might be maintained at least until the end of the week.

The number of workers made idle are expected to remain stable about 30,000 for the next day or so. BL Cars, which increased layoffs at Cowley last night to 5,100, is maintaining employment elsewhere.

A new worry for the metal industries is the shortage of chemicals for treating effluent.

Food supplies are becoming generally more difficult, although there are signs in the west of the region that shortages of salt and sugar are easing. Animal foodstuffs are adequate.

The Road Haulage Association said shop stewards were increasingly agitating for a return to work.

Three St. John Ambulance volunteers hurry a woman patient in labour into Dudley Hospital, Birmingham.

Ambulance services worst hit by one-day strike

BY PAUL TAYLOR

THE ONE-DAY protest strike against Government pay policy by more than 1.5m public services' workers appears to have caused widespread though patchy disruption to most local authority and health services yesterday.

Education, health and water authorities reported a "patchy" picture with some services and areas hit worse than others.

The most serious effect of the strike was on ambulance services, particularly in London and parts of the West Midlands where some drivers refused to answer emergency calls. But the full consequences of the ambulance strike appear to have been avoided because of the emergency cover provided by the police, army and voluntary organisations.

The Department of Health and Social Security said Army ambulances had been called in to assist in London and South Wales and overall, emergency cover appeared to be coping with a lower number of 999 calls.

In London, Mr. David Ennals, Health Secretary, called in the Army after ambulancemen went back on a commitment to provide emergency cover. Mr. Ennals said he was "bitterly disappointed" by the ambulance drivers' decision.

Police in London and elsewhere used their own vehicles as make-shift ambulances to deal with emergencies. They also called upon the assistance of the Red Cross and St. John Ambulance Brigade.

The Department of Health said it was difficult to assess the full impact of the strike, but the emergency provisions appeared to have been able to cope.

Hospitals throughout Britain were hit by the dispute when cleaners, cooks, porters and theatre orderlies joined the strike. The Department of Health said catering and laundry services were particularly badly hit although overall, hospitals escaped the worst effects.

Education services were badly affected. School caretakers and catering staff, members of the National Union of Public Employees, were joined on picket lines by school bus drivers belonging to the Transport Union.

Services such as refuse collection, grave digging and road maintenance were halted as council manual workers joined the strike.

British Airways cancelled its shuttle flights to Belfast airport after council employees withdrew emergency cover and some of the other 23 airports throughout Britain run by councils were also closed. Manchester and Birmingham airports were the most seriously affected.

Hugh Routledge

Public services workers march through London.

Effect on Scottish industry eases

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE EFFECTS of the haulage dispute on Scottish industry eased slightly yesterday. Picketing was relaxed and companies with their own transport fleets were able to move goods, in some cases for the first time in more than two weeks.

The Confederation of British Industry ascribed the improvement to wider acceptance of the revised code of conduct for pickets by local strike committees; but Mr. Kenneth Smith, assistant director, said that the effect had not been dramatic.

He added that secondary picketing was still being carried out in some areas, and that was causing difficulties. Alginate Industries, of Girvan, Strathclyde, was one company unable to get essential chemicals over the weekend. Yesterday it laid off 300 workers.

On the other hand, some companies were able to recall workers sent home last week.

About 2,500 striking drivers from the West of Scotland, the main industrial area of the country, had met on Sunday to have the code explained to them by full-time officials, and the transport union said yesterday that it felt it had control of the action.

The Scottish Office said its sampling indicated that in manufacturing industries 30,000 people, about the same number as at the end of last week, were affected.

A slight easing of picketing at ports allowed food supplies to be maintained at an adequate level, although Mr. Harry Ewing, the Scottish Office minister responsible for the emergency services, said there was some evidence of retail profiteering.

Atmosphere improves at Belfast talks

BY OUR BELFAST CORRESPONDENT

THE ROAD haulage industry's joint negotiating council in Ulster met in Belfast yesterday to continue the search for a settlement.

Little information has emerged from the contacts which the two sides have had over the last week, although the Northern Ireland Labour relations Agency, which initiated the talks, appears optimistic that progres will be made.

Exploratory talks between Transport Union officials and the Road Transport Association have led to the resumption of further negotiations. These are taking place in an improved atmosphere because of the Government's decision not to use its powers to limit road haulage charges.

Industry's position has not worsened significantly. The movement of essential items was again easier after the 48-hour intensification of picketing at the weekend.

The Ulster Farmers Union said that no livestock had had to be slaughtered.

Some Ulster rail travellers faced cancellations again yesterday because of unofficial action by signalmen and conductors.

COMPANY NOTICES

Harsh words—and reassurance on food

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Commons yesterday heard starkly contrasting Government statements from **Mr. John Silkin**, the Agriculture Minister, and **Mr. David Ennals**, Social Services Secretary, about the latest strike developments.

Mr. Ennals took the toughest line yet adopted by a Cabinet Minister during the present crisis.

Warning that there could be more disruption by ambulancemen and hospital ancillary workers in the days ahead, he accused them of taking a "callous attitude" towards the lives and health of their fellow-citizens.

"Enough is enough," he declared bluntly. "Only the innocent will suffer if Health Service workers allow their anger to run out of control.

"The have made their point. There can be no reason now for taking it out on the injured, the sick, the old and others who depend on the National Healtr Service."

Mr. Silkin, on the other hand, was at pains to take the heat out of the road haulage drivers' dispute.

The Minister, who is a Transport and General Workers' Union-sponsored MP, indicated that the time had still not come for the Government to declare a State of Emergency.

MR DAVID ENNALS: 'Only the innocent will suffer if health service workers allow their anger to run out of control.'

In an unflappable performance, he said it was still too soon to say whether the union was observing the code of practice to allow emergency supplies to get through—an assertion which was greeted with disbelief and derision by the Tories.

According to Mr. Silkin, the TGWU and the United Road Transport Union were trying to get the food moving.

His latest information was that the situation was continuing to improve.

In fact, Mr. Silkin reserved his strongest criticism for food industry leaders who had originally predicted there would be acute shortages by the end of last week.

He accused the mof making matters worse by "panic-stricken, timid, alarmist statements."

He advised the House: "A little courage and a little less timidity would not be a bad thing."

Labour backbenchers singled out **Sir Hector Laing**, chairman of the Food and Drink Industries Council, for particular censure.

Mr. Robin Corbett (Lab., Hemel Hempstead) described Sir Hector as "official adviser" to Mrs. Margaret Thatcher. He claimed that his prediction had probably contributed to the current shortage of some foodstuffs more than anything else.

The Government statements came as thousands of striking public service workers lobbied the Commons in a massive demonstration.

Tory MPs remained highly sceptical of the assurances given by the Ministers.

The Opposition backbenchers claimed that ambulance drivers who did not want to strike, and thatl o rry drivers who wanted to cros picket lines were being intimidated.

They also felt that assurances given by Mr. Silkin about essential supplies were far too generalised and, in some instances, inaccurate.

From the Opposition front bench, however, **Mr. John Peyton**, the Conservative spokesman on agriculture, and **Mr. Patrick Jenkin**, the shadow social services secretary, took a fairly low-key approach.

Mr. Peyton said the code of practice seemed to be honoured in some places but not in others. At Liverpool, the strike committee had said that "it did not exist at all" as far as they were concerned.

In his statement, Mr. Silkin said that the public had been able to buy adequate supplies of essential food. He added: "At present there are good stocks of food in the country—at the ports, in warehouses and silos and continually being produced on our farms."

This led **Mr. John Pardoe**, the Liberal economic spokesman, to

MR JOHN SILKIN: 'There has not been anything which could be called a food shortage.'

observe acidly: "It is a little difficult to shop around at the ports or feed animals at the ports."

Mr. Peter Emery (C., Honiton) asked what the Government was going to do to stop "extortion" at Avonmouth Docks. He alleged that drivers collecting animal feeding stuff had been taken into a hut and humiliated by an interviewing committee.

They had been told they would be allowed through only on the payment of money.

Dealing with the ambulance dispute, Mr. Ennals told the House: "The issue is, in my view, extremely serious. Those concerned must face up to the consequences of their actions."

The Government was already engaged in talks with management and unions aimed at paving the way to a sensible settlement.

"But I must make it clear that this Government cannot and will not abdicate its responsibility and let wages rip. That is the road to disaster. That is the law of the pay jungle."

From the Opposition front bench, **Mr. Patrick Jenkin** said that the official instructions from NUPE had been to "maximise possible disruption of services." That was bound to lead to the kind of action we were witnessing.

Mr. Anthony Grant (C. Harrow Central) said that, in his constituency, ambulancemen who did not want to strike received a notice from the strike action committee.

This warned them that they would face reprisals and that ambulances which went through the picket lines would be "blacked for evermore."

Tories force special debate

TORY MPs, angry over the Government's handling of the industrial situation, last night forced through a move for the normal business of the Commons to be overturned later in the evening to make way for an emergency debate.

Nine Conservatives had put down their names asking for emergency debates on the industrial unrest.

Mr. George Thomas, the Speaker, granted a request by Mr. William Shelton (Lambeth), for a debate on the wide issues of the increasing deprivation and hardship being caused by the present disputes.

Discussion of the controversial Weights and Measures Bill gave way at 7 pm for the three-hour emergency debate.

Rescuing the past

PROPOSALS TO strengthen the law on ancient monuments and to help "rescue archaelogy" are contained in the Ancient Monuments and Archaeological Areas Bill, introduced to the House of Lords by Lady Stedman.

The main proposal will provide greater opportunities for archaelogical investigation andexcavation before development or redevelopment of designated areas.

There is growing concern that buried remains are being destroyed by modern development, without adequate inquiries being made to establish a proper understanding of historical evolution and past social conditions.

Hattersley defends road haulage prices decision

BY IVOR OWEN

HAD THE Goverment taken action to freeze road haulage prices in the light of the most recent Price Commission report, only 10 per cent of the industry would have been affected, **Mr. Roy Hattersley**, the Prices Secretary told the Commons yesterday.

He denied that the decision not to make a standstill order, made known towards the end of last week, had undermined the position of the road haulage employers and ensured an improved offer for the striking lorry drivers.

Mr. Hattersley was strongly attacked by Tory MPs as they condemned the Government for having doubled prices and cut the purchasing power of the pound to less than half in the past five years.

He reaffrmed the Government's determination to try to rush through legislation strengthening the powers of the Price Commission.

But he admitted that in view of the declared opposition of Conservative and Liberal MPs, the Government faced "something of a battle" before it could get the Bill carried into law.

Explaining the background to the decision not to make a standstill order on road haulage prices, Mr. Hattersley pointed out that the Price Commission report had been prepared and submitted to the Government long before the present lorry drivers' strike. It did not relate to the claim made by the Transport and General Workers' Union.

The effect of any order would have been limited to a small sector of the industry—about 10 per cent—and those companies covered by it would have been able to seek the protection of the profit safeguards provisions which the Government hoped to remove through the new Bill strengthening the powers of the Price Commission.

Mr. Hattersley stressed that the customary consultative processes had been followed before the decision was made—on Thursday of last week—not to make a standstill order.

In normal circumstances, he said, this decision would probably have been made known today. The announcement had been brought forward, however, so that the parties to the dispute were aware of the position before starting talks on Sunday under ACAS auspices.

Mr. Roderick MacFarquhar (Lab., Belper) claimed that the decision not to make a standstill order had been interpreted as a "green light" for a larger settlement for the striking lorry drivers.

Bput Mr. Hattersley insisted: "The Government did not give in at all."

Mr. John Pardoe (Lib. N. Cornwall) the party's spokesman on economic affairs, questioned the Government's will to check inflationary wage increases.

He cited events in the road haulage industry and the pre-Christmas increases granted to BBC staff.

Every kind of power needed had been available to Ministers in both these cases, he contended; but they had failed to act.

"Why do you think further powers for the Price Commission will have any more effect?" Mr. Pardoe demanded.

Mr. Hattersley reminded him that the powers available to the Government would not have enabled Ministers to influence prices, let alone wages, throughout the greater part of the road haulage industry.

It was true that the Government could have revoked the increase in the BBC licence fee, but such a move would have been attacked as an attempt by politicians to control the corporation.

Ashley Ashwood

Mr. Roy Hattersley, Prices Secretary.

EEC's pint approved

THE Government made a fresh attempt in the Commons yesterday to push ahead with its controversial Weights and Measures Bill, which sets up a European-style system of monitoring the contents of pre-packed food and drink.

The measure had been temporarily withdrawn before Christmas because, it was thought, the Government feared it would be defeated.

Last night, the Bill again faced opposition from anti-EEC Labour MPs. A group of them urged its rejection because they said it removed enforcement of the legislation from the point of sale and replaced the present system by one not clearly set up in an Act of Parliament.

Among the Bill's provisions, it excludes the "head" in measuring a pint of beer and cider.

The Bill, which fulfils Britain's obligation under an EEC directive, also proposes a change from "minimum" to "average" contents of packages.

But last night a decision on the measure's second reading was expected to come very late —for the debate was to be interrupted for three hours while MPs discussed the industrial situation.

Mr. Roy Hattersley, Prices Secretary, said the traditional "brim" type beer and cider glasses would disappear under the Weights and Measures Bill.

"The intention is to ensure that the measure of beer or cider is what we always called the 'pint,' and that the pint referred to as 20 fluid ounces will always contain 20 fluid ounces of liquid."

A recent court in Scotland held that the pint should include the "head" but the Government did not agree with this decision.

New types of glasses could be assimilated into public houses over a reasonable period of time. "We propose to give a reasonable period for the change."

The Bill was approved by a majority of 157 (198-41).

Extortion claim

ALLEGATIONS of possible extortion by pickets in the lorry drivers' strike have been passed to the Crown Office in Scotland, *Mr. Bruce Millan*, Scottish Secretary, said yesterday.

Mr. Millan was replying to a letter from *Mr. Edward Taylor*, Shadow Scottish Secretary, who reported allegations of cash being demanded by pickets—and paid by suppliers wanting to pass the picket line.

Mr. Millan in his letter said he told the Commons that demands for money made in connection with allowing vehicles through picket lines might amount to extortion.

He had also pointed out that complaints should be reported at once to the Procurator Fiscal or to the police.

Mr. Millan added: "The Lord Advocate hs advised regional Procurators Fiscal of the need for immediate invesitgation of any specific allegation or complaint in their areas.

"The information in your letter has accordingly been passed to the Crown Office and I suggest that if you have not already done so, you should make known any further information you have either to the Crown Office or to the police."

Extended service

INDEPENDENT Radio News is to expand its coverage of Parliament when the House resumes after the referendum recess on March 4.

In future, IRN—which provides a news service for independent radio stations—will transmit recorded coverage from Monday to Thursday.

"Live broadcasting of Prime Minister's Question Time on Tuesday and Thursday afternoons will be altered to a recorded, edited version later in the day," said Mr. Peter Thornton, IRN editor. "In addition, on Mondays and Wednesdays, we shall be broadcasting recorded questions to other Ministers."

"IRN will continue to transmit live from the House on major occasions.

Tankers warning

A UNION leader yesterday called on the Government to introduce "as a matter of the utmost urgency" new safety standards for oil tankers.

Vessels without adequate safety equipment should be forbidden to discharge cargoes at terminals beside built-up areas.

Mr. Doug Hoyle, President of the Association of Scientific, Technical and Managerial Staffs and the Labour MP for Nelson and Colne, has tabled a series of Commons questions to Cabinet Ministers, demanding action in the wake of the Bantry Bay disaster earlier this month.

"It is essential something is done now before there is a major disaster in a built-up area," he said.

Talks with Provisionals denied

BY STEWART DALBY

THE Northern Ireland Office yesterday denied Dublin reports that they were planning contacts with Provisional Sinn Fein, the political wing of the IRA, about ending the H-block prison protest in The Maze prison.

Mr. Roy Mason, Secretary of State for Northern Ireland, said in a radio interview in Dublin on Sunday that the prisoners would not be granted political status. They have been refusing to wear normal prison clothes, wash, or clean their cells.

Mr. Mason has ni the past said he would never deal with Sinn Fein and it has been his policy for IRA prisoners to be treated as common criminals. Newspapers in Dublin reported, however, that talks had started near Belfast.

There are about 360 prisoners in H-blocks—so called because of their design—who have been waging protests for over a year. Their position was highlighted by a visit last week by three British MPs including the Liberal Mr. Clement Freud, who said they were disgusted and revolted by the conditions they found in the H-blocks.

The prisoners have all been convicted of errorist crimes and virtually all of them are suspected Provos.

Even if British officials wil not talk to Sinn Fein, talks about a political solution to the province's problems are likely to dominate a meeting on Wednesday between Mr. Michael O'Kennedy, the Irish Foreign Minister, and Mr. Mason.

Mr. Mason has recently reintroduced his five-point plan for a 38-member non-legislative Assembly for Ulster. This would consider legislation put forward by a number of select committees elected on a proportional basis. Mr. Mason has talked to both moderate Catholic leaders and Protestant Unionists.

However, progress has been hampered by the official Unionists' reluctance to talk at present about a new assembly in Northern Ireland. This is because of the Bill now virtually passed by Westminster promising five more seats for the province. The official Unionists, who now hold eight of the 12 Ulster seats, feel they have a very good chance of gaining all the new ones. They have given their support to Mr. Callaghan because of the new seats.

Mr. O'Kennedy two weeks ago called on Britian to launch a new *political initiative* in Northern Ireland.

The Irish Foreign Minister's speech was the first important pronouncement on Ulster by an Irish Minister since Mr. Jack Lynch, the Prime Minister, gave an interview about a year ago. In contrast

FINANCIAL TIMES SURVEY
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The Printing Industry

Printing has entered another cycle of evolution, with the advent of computer typesetting, laser scanning and other advanced technology. The implications for manning levels are profound, and it is in this area that the industry is likely to encounter most trouble in adapting to change.

Much to be resolved

By Roy Coxhead, Editor, Printing World

PRINTING IS enjoying one of its buoyant trading periods. Order books are full—though demand for high quality packaging has been slow to pick up after a poor year; heat transfer printing has suffered a serious decline and wallpaper sales are down in real terms by 42 per cent over the last 10 years.

Capital expenditure budgets are running at a high level, as indeed they must if companies are to remain competitive, and chairmen are making cautiously optimistic forecasts for further improvement in 1979.

Their caution is understandable for, besides the vagaries of the economy which industry at large has to cope with, printing itself is at the beginning of a transformation. Of course, there has seldom been a time since Gutenberg that printers have not had some cause for complaint at the speed of change of their industry. New processes, power-driven presses, mechanical typesetting and binding, automatic engraving, filmsetting—each development has meant a radical change and a threat to the livelihood of those who failed to adapt to them.

But it is surely not the lack of historical perspective that leads today's printers to feel that progress is blurring all their benchmarks.

It is not only the master printers and managers who are involved. The current moves towards further union mergers are compelling each employee to make a decision on the future of the industry. The decision is a difficult one for men who are seeing technology make redundant the skills that have taken them a lifetime to learn.

The unions have been painfully slow in their response to new conditions. SLADE, the process workers' union, 25 years ago was considering "trade and technical developments and the aspects of possible advantages of fusion with other societies," and in 1977 the NGA (National Graphical Association), NATSOPA (National Society of Operative Printers, Graphical and Media Personnel), SLADE and NUWDAT, the wallpaper printers' union, announced formal merger talks which aimed to create a single 150,000-member union. There was, they said, "a sense of urgency" in their deliberations because advanced methods wer making som printing crafts obsolete.

Concern

It was announced last week, however, that although the NGA and NUWDAT had voted in favour, the SLADE membership had voted against the merger. An urgent concern now of the NGA and SLADE leaders will be to try to prevent any recurrence of the demarcation disputes which have bedevilled relations between the two unions.

It is not only among union members, however, that demarcation problems exist. The dividing line between processes used to be reasonably clear—one job was best suited for letterpress, others for sheetfed offset or, in more recent years, web offset, with gravure taking its unchallenged place as the mass production multi-colour process.

Now letterpress is disappearing except for specialised work, the longer-run sheetfed offset jobs are vulnerable to the "mini" or eight-page web offset presses, and the improved quality of web offset has taken it further into gravure territory.

Further adjustments will be necessary when the gravure men find their equivalent of the philosopher's stone, a cheap and quick way of preparing their cylinders. Meanwhile they are investing large sums in presses with variable folders so they can compete for jobbing work instead of being dependent on the diminishing number of long-run periodicals.

Every aspect of the business is changing with the impact of electronics technology. In the studios the latest scanning equipment automatically prepares complex layouts with the wave of a light pen, and microprocessors are making their first appearance in press and ink controls. Binding lines too are becoming automated. In each case the developments mean lower manning levels and require less skill from the operator.

It is in photosetting, of course, that the most dramatic changes are occurring. There are systems available for every user, large and small, but the impact of word processing on the printer's typesetting will be even more significant when it occurs.

Already word processing equipment is being interfaced with typesetters and office equipment is improving in quality to match the output of the traditional printer. The full impact of the "collision between office and printer," as forecast by the American authority John Seybold, is still, however, a year or two away.

The quality of phototypesetting ouput, the eccentricities of its hyphenation programmes and the standard of its type design all have a long way to go before reaching the standard of hot metal. Some companies, interestingly enough, are ignoring the expensive software options available to them and preserving the sanity of their skilled operators by choosing systems which require their involvement and expertise.

The British printing industry has a diminishing workforce but with over 250,000 employees is still the largest in Western Europe. The industry is widely dispersed throughout the country and only a handful of plants have more than 500 employees.

The industry has an undeserved reputation for being production-oriented rather than market-oriented, providing a service for its customers but having no creative ability of its own.

But many printers, large and small, have created their own market opportunities and their own turnover. Publishing is the most familiar example—books, periodicals, greeting cards, calendars, partworks, games, business and legal forms—all these and more have been initiated by printing companies for the benefit of their own production facilities. Other less obvious examples are self-adhesive labels, packaging systems, transfers and photographic libraries.

The part the industry has played in technical developments is another contribution rarely acknowledged.

Representatives of large and medium companies are a vital part of the work of the industry's research council, PIRA; the employers' association, the British Printing Industries Federation, has an active technical committee; and British companies are leading members of the European Rotogravure Association, Euroffset and the international business forms association EFORMA, which themselves initiate, encourage and monitor technical progress.

Examples

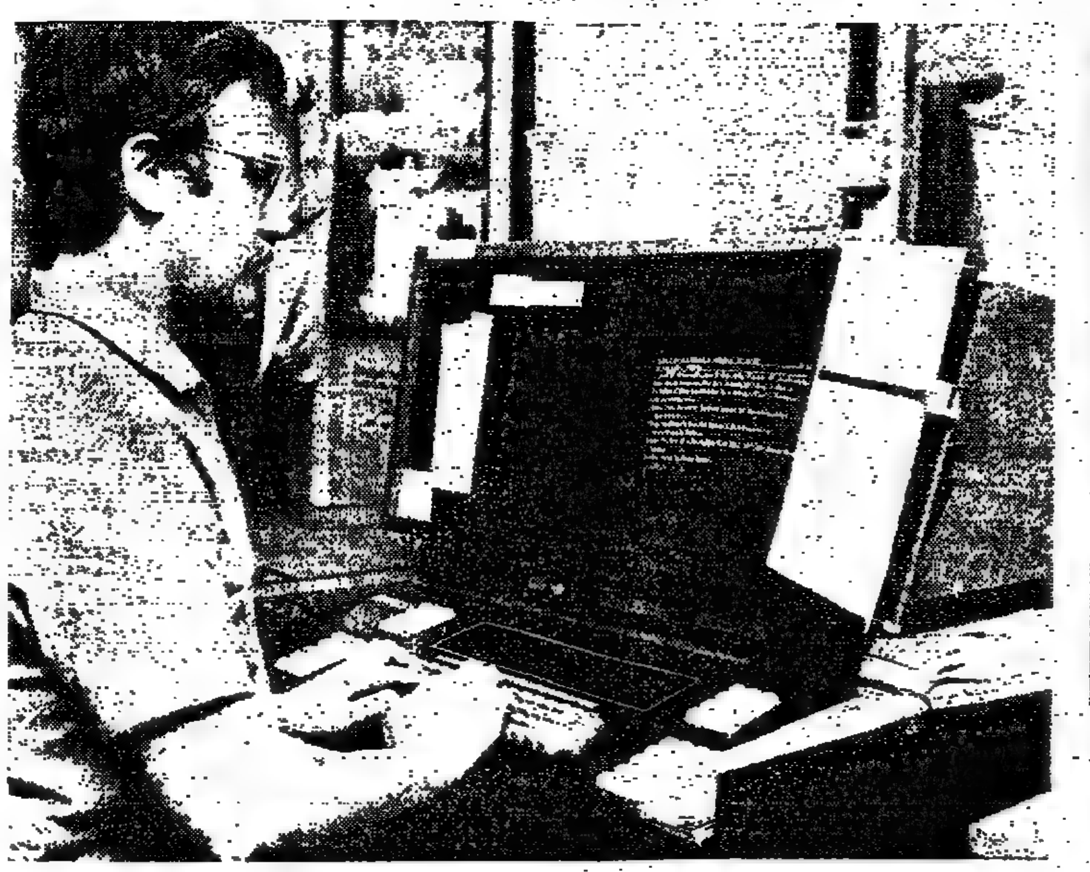
In addition to this, though, many companies have been responsible for major technical developments. There is a long list of examples—the development of flexography; the use of rubber plate presses for paperbacks and the adhesive system that has made the British paperback the best in the world; software for photocomposition and the setting systems themselves; direct litho for printing newspapers; numbering machines and many advances in plates, paper and inks.

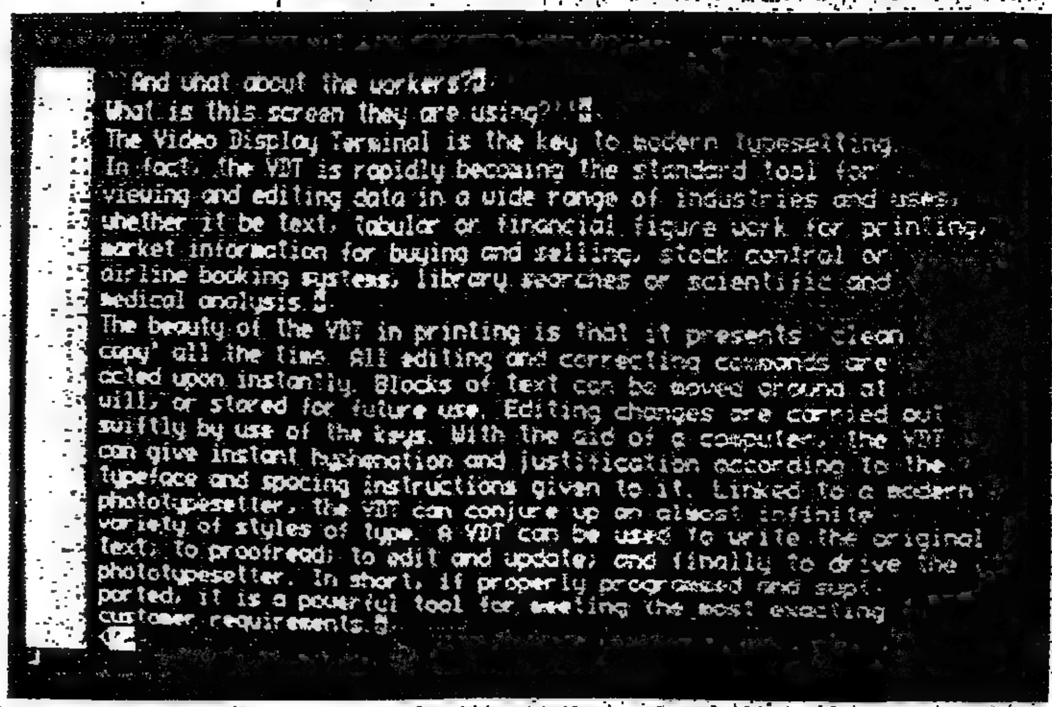
There are no real challenges yet to the book, periodical and newspaper, though the industry must be quick to respond to dangers as well as opportunities—an ominously portable innovation is the book-sized portable reader, which uses fibre optics to illumine the screen.

Demand

Printers were slow to react to the competition of in-plant printing and lost work as a result. They may, similarly, lose typesetting business if they cannot provide what the customer requires, while the growth of Viewdata and the "paperless office" will take more business away from the printing industry.

There were encouraging words at the 1978 BPIF conference from the director general of the Italian printing and publishing organisation Mondadori; he assured his audience that the demand for printed products would continue. Then he spoilt it all by forecasting that the mail order business would become electronic, requiring nothing more from the printing industry, perhaps, than an order form.





Computer typesetting is an integral part of the technological revolution in printing. The picture on the left shows an operator at E. Hannibal and Co. (part of British Printing Corporation) at his keyboard with the copy showing on the Visual Display Unit before him. Above is an example of VDU text on a Brown Knight and Truscott Miles 33, spelling out the advantages of the system.

Unions keep a watchful eye on new technology

EVENTS ON the labour front in Fleet Street and in the general print industry over the past couple of years have shown the difficulties which managements face in persuading printers and their unions to accept the introduction of new technology in the face of printers' concern about the human and social consequences of the change.

In Fleet Street the fight has been intense and very much in the public eye. Industrial unrest in the national newspaper industry has been highlighted by the crisis in Times Newspapers, which on November 30 last suspended all its publications including The Times and The Sunday Times because of failure so far to reach agreements on disputes procedures, working conditions and terms for the introduction of new technology.

Newspapers in the provinces have also faced similar problems. Only this month George Outram and Company, publishers of the Glasgow Herald and Evening Times announced that it had been forced by union pressure to abandon the principle of introducing a computerised printing system operated by journalists and advertising staff. It has told the Scottish Graphical division of the Society of Graphical and Allied Trades — the union representing compositors in Scotland—that as a result it will no longer be asking for a two-thirds cut in composing room jobs.

In general print, the battle has been perhaps less dramatic although no less intense, the same unions being involved as in the newspaper industry. Because the 108,000-strong National Graphical Association (NGA) is the main craft union whose members' jobs are threatened most by new technology, it has been the protagonist in the fight both in Fleet Street and in the general printing industry.

The difficulties facing both sections of the print industry have much in common although it can be said that the unions face certain problems in applying a common policy on new technology to both sections of the print industry.

The history of Fleet Street labour relations was formed in the days when day-to-day cut-throat competition between newspapers greatly increased the bargaining power of the production unions. An edition lost through an industrial dispute was forever lost because of the nature of the industry and it was the members of the print unions who had the industrial muscle. The problems their union leaders faced in controlling their Fleet Street branches are all too apparent now.

The situation in general print is very different. National union leadership has a good deal more control, partly because industrial disruption is a less urgent problem for the company involved—like a manufacturing business it is more able to make up for lost production after the dispute is settled.

Unlike Fleet Street, the general print industry is also not put at a disadvantage during a dispute because of a casual labour system. A printer on strike in one company cannot just move to another and maintain his income. The distribution of the labour force also makes for more peaceful industrial relations in general print than in Fleet Street.

The total number of employees in the British printing industry is over 250,000 and in the general print sector most tcompanies employ less than 25 people.

Although nearly 70 per cent of full-time employees are with companies employing 100 or more people, these concerns are often split up into small printing plants.

The tendency towards greater loyalty from a small workforce and closer identification with employers' interests have helped to promote a comparatively harmonious tradition of industrial relations in general print. Conditions of work have also played their part.

Elite

Pay has always been comparatively high in printing. This goes back a long way in history when the printer was often among the elite in his community because he had to be able to read and a high price had to be paid for his skill.

The position of the printing, paper and publishing industries in the earnings league last year was sixth out of 26 other industries. Average total gross earnings for manual workers and craftsmen was £42 a week in 1973: since then they have more than doubled to £85.80.

Moreover, conditions of work and safety tend to be better in printing than in many manufacturing industries. Accidents in printing are at present running at under half the average for industry as a whole.

Industrial disruption over pay on any major scale has moreover been minimised during phase three of the Government's incomes policy because of the stance taken on incomes policy by the NGA.

Its refusal in 1977 to toe the TUC line on the 12-month rule for pay increases might have been costly for the industry. But because it avoided launching a nationally co-ordinated attack on the industry's national pay agreement — which was not possible because of difficulties with the other print unions — major disruption did not occur.

Mr. Joe Wade, general secretary of the NGA, instead made no secret of the fact that he was organising a pay battle in breach of the 12-month rule at a local level. The tactic was apparently successful even in the face of Government sanctions because of the small size of the companies involved, although any national onslaught might have left the industry vulnerable to sanctions because of the number of companies with Government department printing contracts.

Thus the industry has not had a serious national stoppage since 1959 when there was a six-week strike over pay.

This year, however, this industry has been rocked by a major battle at Times Newspapers over new technology. The union claims it has not set out to block the advance of new technology in Fleet Street. But it has shown a determination to ensure that its members reap as much financial reward as possible from the advance of the new technology into the industry.

Pride in the old crafts has no doubt played its part in fanning feelings of insecurity and mistrust in the industry.

The industry has been afflicted for more than nine months now by a rash of overtime bans and blacking of new machinery because of a prolonged dispute between the NGA and the British Printing Industries Federation (BPIF) over an agreement on extra pay for operating new equipment.

The overtime ban has hit the BPIF's 4,000 members hard. The companies rely on overtime when contracts need to be completed quickly and in many cases regular contracts require a certain amount of overtime at certain times in the week. The only alternative is to employ a larger workforce which would be idle at other times of the week.

But it is the blacking operation which has received most of the attention—not least because of the action of the BPIF in launching a levy of members for a special fund to cushion them against the effects. The fund, with a target figure of £1m, is designed to help meet the costs of depreciation and interest charges on unused new machinery. The BPIF claims that 40 of its members now have machinery lying idle and that it has already paid out on a number of claims.

The argument with the NGA centres on provision for extra pay to be paid to printers operating new machinery contained in a 1973 agreement. The NGA argues that this has now "expired" and that the federation has failed to renegotiate a system to take account of the extra skills required by new technology.

The dispute worsened last autumn when the federation insisted that industrial action must be lifted before further negotiations could take place and that any further agreement would be put into effect only when allowed by pay policy—a proviso which the union would not accept.

The federation concedes that some machines are not covered by the agreement and with the lifting of the Government sanctions policy and the general pressure on both sides to reach agreement ahead of annual pay negotiations next April, it seems likely that some sort of deal may be reached soon.

The difficulties are of some significance to other industries also anxious to introduce new technology in the face of union concern over the impact on jobs and for workers to share the financial benefits of the change.

In the general print industry, the groundwork has already been prepared in its 1973 agreement.

Extra pay is awarded on a points system depending on certain criteria laid out in an agreed formula of machine classification. The three main criteria are based on the area of paper fed into the printing machine, the speed of the machine and the number of printing units it contains. Any new agreement would comprise an extension of this formula.

Pincus Jaspert

Lively debate about marketing methods

HOW APPLICABLE to the printing industry are marketing methods and techniques developed and made familiar in other, more consumer-based industries? This question is the subject of some lively debate in the industry at the moment, with opinions varying from "Printing people are bloody awful at marketing" to the traditional "The best way to sell print is still to show the customer round the factory."

Clearly, techniques used in such mass consumer markets as soap and detergents, with a few dominant companies selling a few basic products under a bewildering variety of brand names, cannot be transferred wholesale to a service industry like printing which has such a bewildering variety of products and customers, and is so highly fragmented among a large number of companies of every possible size and range.

Nevertheless, one can find the head of a rapidly expanding concern like J. Howitt and Son, of Nottingham, Mr. Pat Howitt, writing recently in the journal of the British Printing Industries Federation, that "My feeling was that what worked for the tobacco, petroleum or tyre industries could also work for the printing industry."

Following this philosophy, the company went into sports sponsorship, with the "John Howitt Trophy" International Air Race meetings in 1972-73 and motor racing with Howitt Racing in 1977-78. Howitt says that promotional costs work out at only 1 per cent of sales — mainly tax deductable at that — and along with Press visits to the plant and other forms of publicity, have been fully justified by results.

Probably not many printers would go that far in adopting consumer marketing techniques. But many feel that the less flambuoyant but equally well developed techniques of industrial marketing, as understood in other branches of the engineering industry which are equally as service-orientated as printing, could be applied far more widely than they are.

It partly depends on one's definition of marketing. Printers have always placed a strong emphasis on the selling side of marketing, by which is meant the direct personal approach to the client or potential client, although many would still question the quality of the sales force in many printing companies. Order processors and estimators are not, they argue, necessarily born salesmen.

But it is unarguable that advertising and sales promotion, the stuff of marketing proper, have played a small part. Indeed the marketing function in some cases is regarded simply as the provision of market information to the sales force — a legitimate task, as performed for example by the central headquarters of the British Printing Corporation on behalf of BPC's constituent companies — but once again one that arouses conflicting opinions.

There are those who profess themselves satisfied with the official Government statistics for the sales value of the industry and its main sectors, and those who say that these figures are quite inadequate, being far too broad in category to help a practical marketing effort. The lack of original market research, sponsored by the industry or sections of it, is a marked feature of printing, although the matter is apparently under discussion at the Federation.

Consequences

But what gives the discussion of marketing in the printing industry its particular, perhaps even unique flavour, is the rapid and inescapable technological changes taking place in the industry, which themselves have direct marketing consequences.

In former times a printer would have a letterpress machine—a versatile machine—to do his print, and one or both of only two sorts of hot metal typesetting machine, which between them had to cope with a wide variety of tasks. Moreover, this machinery was likely to be fairly old, and long written down to nothing in the books.

Now he will often have a new offset printing press, faster no doubt but less versatile in the sense of handling a wide variety of products economically; and he will have had to make a choice between a large variety of competing photo-typesetting systems, each with its own characteristics, strengths and weaknesses. And they will have cost a lot of money.

So not only his pricing policy but also the type of work which he can or cannot undertake will have come under close scrutiny. Almost by definition he will have chosen to specialise in some types of work rather than others: that choice was inherent in his choice of new equipment.

For he has little choice but to re-equip. The thrust of technological development the printer feels comes from outside the industry anyway, principally from the computer industry and from the chemical industry, and so is beyond his control; and his competitors are re-equipping. So he is riding a technological tiger.

Then again, a characteristic of the new generation of equipment is that it tends to level up standards of printing quality. There was a time when the small printer could not compete on quality (as opposed to price or service) with the big one. But now high quality is available, and expected, everywhere. The pressure on the printer is therfore the same—to specialise in certain product lines to avoid excessive competition and price-cutting.

The name of the game, then, is specialisation. But specialisation demands better knowledge of highly specific product and geographical markets (hence the growing need for market research) and much greater knowledge of the customer's own business—plus a marketing effort to create general awareness of that printing company's expertise in its chosen field or fields.

It may mean turning away work as well as getting it—a psychologically difficult thing for some printers accustomed to the old disciplines of keeping

CONTINUED ON NEXT PAGE

Hard core of City printers maintain the tradition

CHANGED TECHNOLOGY and, theoretically at least, easier communications have made it possible to use provincial printers with experience of the ways in which the City likes things done. But the prohibitive cost of premises is the main reason why most printers have been driven from the City's doorstep.

Another factor contributing to the disappearance of the jobbing printer as a City tradesman has been the rise of newer, easier methods of producing copies on copying machines and small offset lithographic presses which can be bought cheaply, installed in small spaces and operated without craft skills. In short, the do-it-yourself kind of printing which, it should be remembered, is not so much printing as making copies of what is already there as an original.

Quite a lot of City printing in the past, as now, was simply a matter of ordering more of something in general use: so the copiers and the "instant print" shops have replaced the jobbing houses because they are a simpler and cheaper way of doing a lot of the work which does not involve the design and typesetting of an original.

Inevitably, the changes which have taken place within the City's own labyrinth of commercial activity have reshaped the patterns of City printing: automated office systems, such as addressing machines, sorting equipment, word processing (the latest fashion) and the ubiquitous computer all, at some stage, need printed matter of some kind, if only the forms, punch-cards and systems stationery which are used in immense quantities.

Suppliers of business stationery of this kind do not need to set up shop in the City: they are manufacturers whose wares can be sold in bulk. Indeed, so competitive and, for a while, so profitable was this whole sector of business forms printing that it attracted many specialist suppliers, and the resulting price-cutting scramble for the business reduced the margins and, ultimately, the profits of what once looked an established new area of print.

Share

Between 1975 and 1977 a number of Britain's 80 leading stationery manufacturers performed badly. Despite an overall increase of 27 per cent in turnover, almost half of them gained a yearly sales growth of a mere 10 per cent. Between 1974/75 and April 1977, the number showing an actual loss went up from one to seven, while overall profit margins dropped from 10.8 to 6.1 per cent. Lower spending by government and local authorities was given as one of the reasons for this poor performance. But there seems little doubt that the war to gain a bigger share of the admittedly large market which commercial business systems provided was a major reason for the halving of return on capital in three years of those 80 stationery suppliers, from 24.5 per cent to 14.1 per cent. Only two of them improved their return in that time.

If the jobbing printer can be said to have departed from the City for good, there remain a few companies which, from long association, careful marketing and a willingness to change with the times, still do good business in the City. Fortunately for them the ways of business in London are as gradual to change as the ways of printers: in both there is not only a respect for tradition, but a practical need to sustain it. What has altered the City printing scene more radically than anything else is the lively—indeed almost neurotic—nature of international commercial transactions, particularly the closely-timed dealings of the international bonds markets, where such modern aids as the fasimile transmission of documents from portable transmitters carried by the printers' own sales representatives are used to get essential details into print as quickly as possible.

These valuable bits of paper may contain many thousands of words, all of which not only have to be typeset, but also proofed and passed, under conditions where the loss of hours can result in the loss of money which, as everybody knows, is anathema to the City.

In much of this work there is a security element which, though it may not come strictly within the definition of security printing (dealt with elsewhere in this supplement) is important. One does not readily give the printing of some prospectuses to the "little printer round the corner" for obvious reasons.

These, and a few other, considerations, have ensured that today's City printers are, in every sense of the word, specialists. To take but one example, the wide use of automatic sorting equipment, such as that use for cheque sorting via magnetic numerals, is by no means as easy job for the printer. The figures, each with a machine-recognisable profile, are printed using inks which contain magnetic particles, identifiable by the sorting machinery—which might seem no more difficult for the printer than printing any other image on to paper.

The fact is that the sorting equipment is extremely sensitive, so the special figures have to be very accurately printed and placed on the document. The magnetic particles tend to wear the printer's numbering mechanisms rather quickly, so some way had to be found to maintain the accuracy of profile and—more technically difficult—to check that this accuracy was being maintained while the presses were running and producing the numbering: the fall-off of quality in a single numeral could result in the malfunctioning of the sorting equipment and a serious holdup in processing the documents.

Potential

An impending change, which could have the most far-reaching effect on how the City uses printers is that of word processing, already mentioned. Systems are now available which will accept, store and print out documents from a central, computerised unit so that, once input has been stored, an operator may call up any one of thousands of standard documents, reports, agendas, letters, and so on and make only the small changes needed—by inserting them from a keyboard operated in conjunction with a visual display screen which shows the content of the store.

It easily can be imagined how simply the standard documents which contain mainly the same text, but which require alteration of detail, such as names, figures and so on, can be handled literally at the touch of a button and within an organisation's own administrative department. The potential for expanding such systems to produce a typeset output is already available, and the consequence of this for printers and typesetters now working at full capacity to keep pace with the City's word mountain can be seen—as can the reaction of the printing unions if such a thing comes about.

Old City hands will not need telling that trade and commerce now represents a vastly larger sector of City activity than financial dealings of the conventional City-based kind, and this has meant a large demand for high-quality printing of a kind rarely seen there 20 years ago. Brochures, catalogues, price lists and similar commercial print is bought, but bought mainly outside the City itself. The transformation of the sober company report into a large, prestigious colour-printed booklet has brought new work to printers who know how to design and produce such luxurious items, and the same goes for the well-produced print needed for employee information on the finances of companies, now required by law.

In place of the jobbing printers who left have come the trade typesetters, most of them using advanced phototypesetting equipment. It is at the typesetting and proofing stages of many print jobs that the closest, quickest and most conveniently-organised liaison is needed. And the general use in commercial printing of the offset lithographic process for the actual production of the job has made it easy to have typesetting done in one place, then proofed, corrected and supplied to the printer in another place.

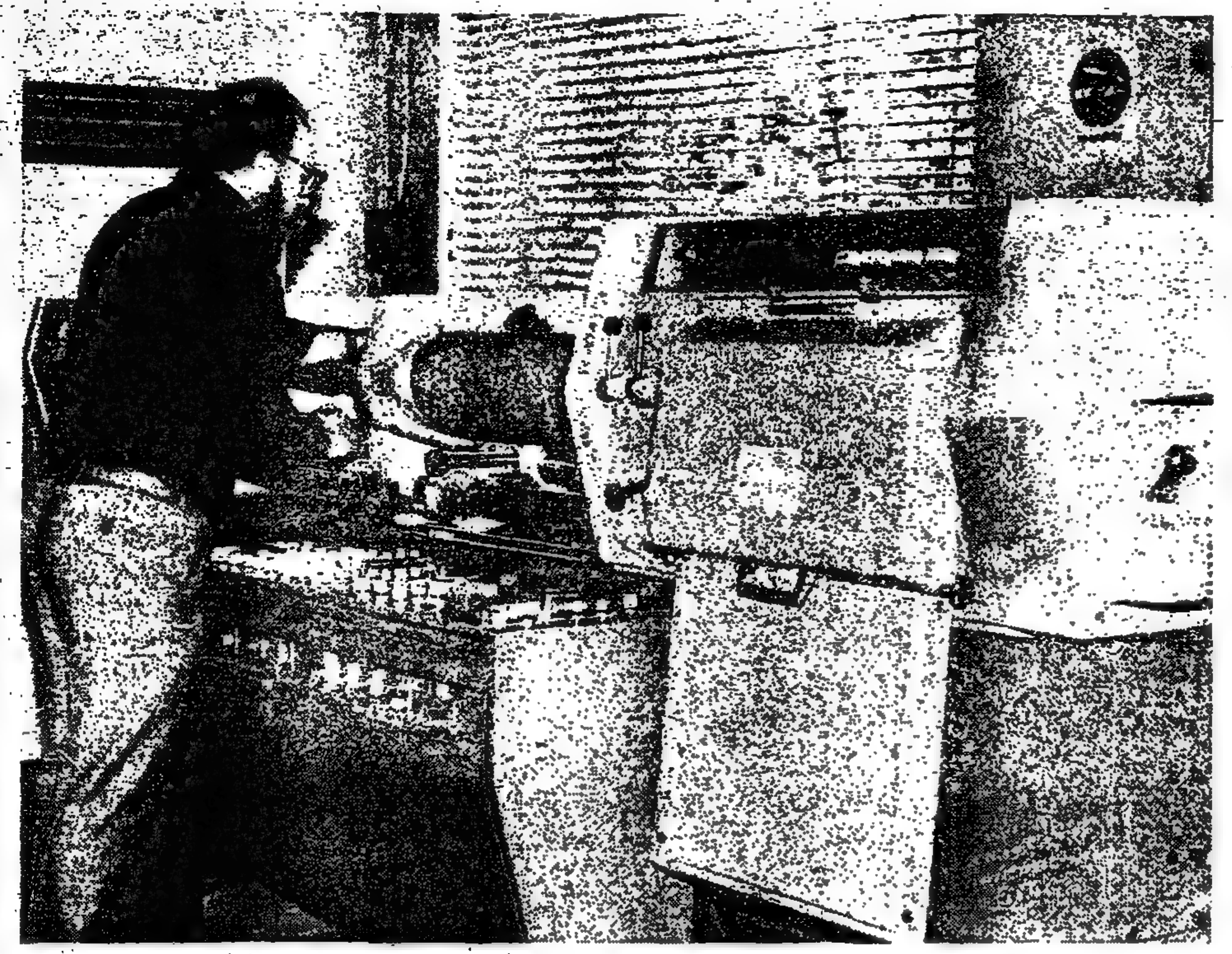
Costly

The larger number of direct transactions between printers and City customers, or their agencies, is now carried out in at least two stages—typesetting and printing—which enables the jobs to be set and photo-proofed up to their final state before the mainly mechanical process of printing them is done elsewhere. It is a division of labour which can be costly compared with the old print shops which did the lot under one roof, but for which the City is apparently ready to pay.

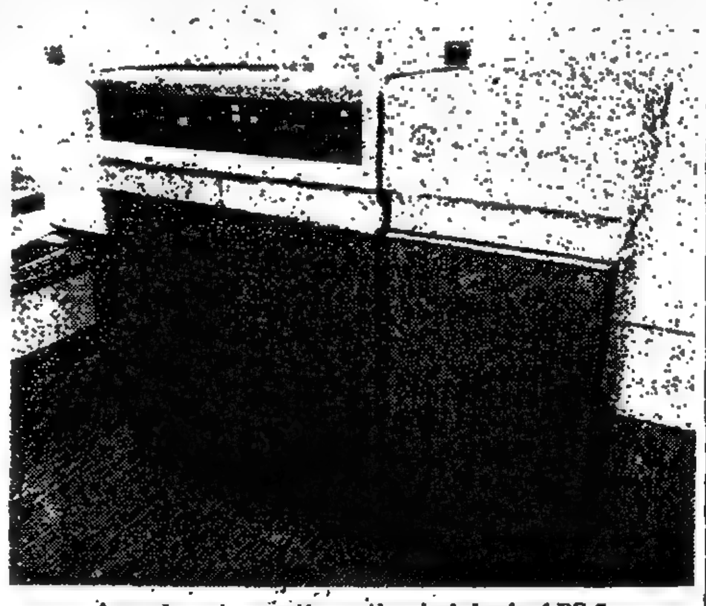
A sign of the times is that printers all over Britain, and a few from overseas, now run London offices rather than London plants, hovering around the City and waiting to pick off the plum jobs which do not need the specialised skills and equipment of those few printers which have remained firmly wedded to the City and its peculiar ways. The standard of representation has to be high: City men are themselves professionals, and ruthless with suppliers who will not learn their ways and language. They are also ready to respect, and use, printers who know their jobs in the same spirit as they use other professional services.

Prospectuses, offer documents, rights issues and, now, Eurobond and Euroloan particulars still have enough small print in them to keep a handful of big, successful companies at work in the City or within close reach. But even here capital costs of equipment, labour costs and, above all, the cost of maintaining premises within the City, will not make print any cheaper there, so it is only by making themselves indispensable that the remaining City printers survive, and this they seem to be doing well enough.

Roy Brewer



This laser scanner at Nickeloid, a trade repro house based in London and part of British Printing Corporation, is another example of technological advance.



A modern typesetter—the Autologic APS-5

Marketing

CONTINUED FROM PREVIOUS PAGE

the presses turning at virtually any cost. It means close analysis of the existing product mix, and a sharp eye for new types of printing, as when, for example, Oyez Press made a special pitch from 1976 onwards for printing employee reports, very much a new phenomenon in customers' printing requirements. In the case of BPC, for another example, it meant developing separate specialisations for its various (and variously sized) subsidiaries.

It means better promotional literature, well printed (not always the case in the printing industry) and the involvement of everyone in the company—van drivers, compositors, switchboard operators, as well as sales staff—in the marketing effort. Whether that effort also extends to the golf links and fishing trips for clients may be more debatable.

But the pressure to market, in the sense of offering high-quality specialised services to customers, will if anything intensify, as many of the more routine tasks of printing are taken over by customer organisations themselves, with cheap printing equipment and the spread of word processing systems, with a print-out capacity allied to cheap and convenient means of data storage and editing.

Specialisation in marketing can also have far-reaching consequences for printing company organisation. Williams Lea, for example, which reduced its periodical printing to concentrate more on financial printing such as annual reports and corporate finance work, has described how this meant keeping both production facilities and management available 24 hours a day. It also meant a fresh look at security and delivery methods, since it was now handling sensitive financial information and providing overnight accommodation for customers. Shift work, to cover longer hours of machine running to meet the high cost of re-equipment, may itself be a new departure for printers.

Whether the industry as a whole could do more to promote its wares and services is yet another matter. Given the number and variety of its component companies, it may be difficult. But there has, for example, been a welcome flow of work from abroad to British printers as a result of overseas marketing efforts, thus offsetting the volume of British printing work going overseas, for which the industry has at times been heavily criticised.

Marketing does not need to be too introspective, since customers are not in the end much interested whether the final effect is gained by widgets, sprockets or megabytes. But it does need to be a bit more sophisticated than the familiar printer's calendar, whose pin-ups are at about the same level of bar-room appeal as the equally familiar local garage calendar.

The modern computer typesetting printer is an information-handler who in the future may not always use paper as his medium. The thrust of modern electronic innovation promises little peace for the industry's marketing men, or its marketing techniques.

Rex Winsbury

The search for profits

PRINTING INDUSTRY profits overall and throughout the world, by any standards, are abysmal. Yet most individual owners of printing companies live pleasantly, an apparent paradox which is easily explained by a look at the structure of the industry itself.

Despite considerable technological advances, and the introduction of computers and machinery which is very expensive and almost impossible to finance, printers have remained very much a service industry catering to an extraordinary range of demands. These range from cheap handbills or visiting cards to fat, glossy mail-order catalogues, giant posters, magazines, and books from minuscle edition runs to mass-production publications.

Expressed in numbers of printing companies to a country, the majority of European and American printers employ fewer than 50 people. In some countries the largest number of printing companies in operation employ a mere four or five people each. In the bigger cities, "instant printers" have taken away some of the market of the small local printar, but also have created new business for established printing by generating a more widespread interest in printed products.

As an industry, printing gives employment to large numbers of people. The two biggest industries in Europe are in Britain and West Germany and the German industry was bigger than the British one until recently. Production streamlining, new machinery and natural wastage however, have shrunk the German industry by more than 15 per cent in terms of the number of people employed.

The really small printers are not particularly worried by price competition. They have their own quite often arbitrary pricing methods—if one can speak of methods at all. From 50 employees upward, however, competition plays a major role in the printing industry. Pricing is less important in urgent work, ni the smaller editions of commercial promotional literature and leaflets, but very important in larger-volume production. It is extremely important in magazine and book production (newspapers are not being considered in this context).

Like the newspaper industry, the printing industry has to work to tight schedules. Deadlines must be kept more insistently than in many other industries. Most work is "one off" except in the very substantial sector of printed packaging. In The Times 1000, a fair number of British (and Irish) companies listed are print - based organisations. Europe's biggest today is the Dublin-based Jefferson Smurfit packaging group with a turnover of £176m. Other print-groups may be bigger, but are active in other fileds, too.

Packaging usually involves repeat printing of mainly large volume work. Magazine, book and general printing means putting a job together from scratch almost every time. Service therefore ranks foremost. Advertising and marketing, clients of the printer must have their brochures ready to coincide with the launch of a new product. Their choice is incredibly wide. However, a closer look at who prints what shows that from a certain volume upwards thereare really only a few printers that handle large orders.

Most of the very big printing plants in Europe are captive and belong to magazine publishers. In recent years they have endeavoured to get away from too great a reliance on their parent companies and are taking in an increasing volume of work from outside. A mail-order catalogue producer, however, usually has to have his catalogue printed by half a dozen or more printers all over Europe. Were he to require only 20,000 copies of his catalogue, however, he could print anywhere anytime.

Seasonal

There is considerable overcapacity in the mideum field of printing. There are too many printers and too many machines to set type and to print. There is, however, a seasonal bottleneck in making colour reproductions. British reproducers ship work to Germany, Swiss reproducers to Britain and the U.S., Germany and Britain import colour separations from as far away as Taiwan and Singapore, more recently also from South Korea. Printing which requires a lot of manual finishing (such as fancy greeting cards, some children's books and so on) is produced in Taiwan, Latin America or anywhere and search the world for new quality at new, and they hope, lower prices.

On the whole, today's most successful printers, large, medium or small in size, are those who find the right new technology and are able to offer this technical approach together with marketing skill. There - -? -? it may be more important for the printer to know how to distribute books worldwide than to do his own binding. After all, sub-contracting services can always be bought in. Because there is a seasonal sehortage of colour reproduction capacity, it is therefore possible even for a printer in high-price Switzerland to sell his colour printing to Britain and America using a new Japanese process of of converting (more easily available) litho reproduction to gravure and at the same time offer clients a means of checking the outcome of colour reproduction at low cost.

A medium-sized printer in Norwich therefore may be able to print one one new eight-page web offset press work not only for direct clients but also for large printers whose work structure forces them to take in jobs which should really have gone to the smaller company in the first place.

Because the industry is so fragmented, its uffers worlwide from a poor profit record. The The two giants of Japanese printing, Dai Nippin Print and Toppan Printing, report profits of only about 4 or even 3 per cent on turnovers of about Y280-300,000m each. Out of 91 U.S. web offset (non-heatset) commercial printers, only 19 made adequate profits. Average profits for the U.S. printers investigated were only 1.74 per cent. Interestingly enough, those who paid higher than average wages were also those earning higher than average profits.

In Bavaria, a printing industry survey found that only a quarter of all companies made reasonable profits and almost a quarter of companies reported "nil profits." Admittedly, because the smaller printing firms are family businesses, profits are not thought too important by their owners in the short run. As long as directors are able to pay themselves good salaries they are—for the time being—happy enough. But because equipment costs have risen spectacularly in recent years owing to increasingly sophisticated machinery, these companies are in very serious danger of dying a slow death from obsolescence and inability ot compete.

In the fiercely competitive world of the medium-size printing firms this fact of life is keenly appreciated. Order books for machinery manufacturers are bulging, even though for British or U.S. printers the fact that much printing machinery comes from Germany means extra high equipment costs. In terms of investment, as a matter of fact, British printing ranks very high. Out of 20 machines of a new type of web offset press made in Germany, 10 have been ordered for Britain. Britain after the U.S. and the German home market, ranks about fourth in purchases of printing machinery and follows Japan (figures on Comecon countries are difficult to come by). Europe is taking over from the U.S. as the main area of investment in printing, followed by Japan.

Outside Japan, however, printers lack active interest in research and development of their own. Most new developments are brought to the printing industry by manufacturers or come from the newspaper industry—which in turn has a very sad record on training. Newspapers traditionally take their skilled staff from printing companies and simply buy talent and new technology.

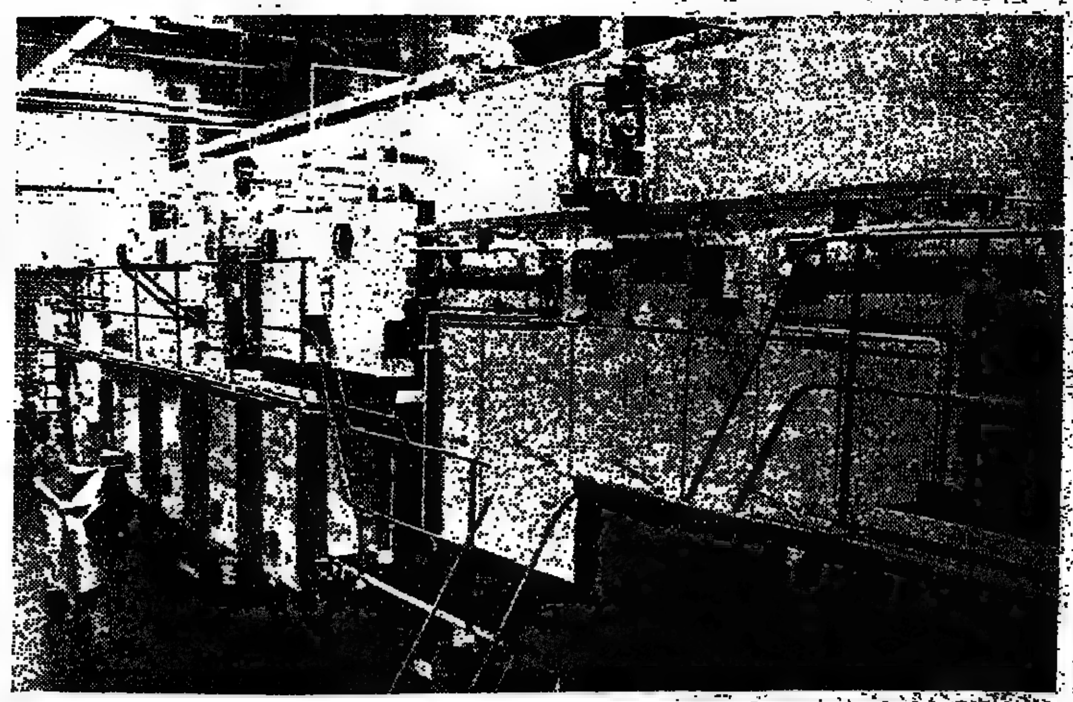
Status

Apart from certain traditional craft skills they are content with employing mainly unskilled or semi-skilled labour. Hence the resentment worldwide of the skilled newspaper craftsmen at their loss of status through the new electronic techniques. Japanese printers have taken over research and development for the printing industry where this is not being conducted by the supplying industries. The results of their efforts are now beginning to reach Europe and the U.S.

More pollution-conscious than printers anywhere else, the Japanese have designed recycling systems which use even that sort of waste which, before had to be dumped at sea. Water-based gravure inks instead of solvent inks are used extensively and they have designed colour reproduction systems which are compatible with any make of equipment instead of being suited only to one manufacturer's machinery.

There is an acute shortage of printing skills throughout the world. New technologies, where they do not entirely displace traditional skills, demand better training and greater skills of the craftsman, who also has to be psychologically attuned to working with equipment offering extremely high output with the aid of computerised controls. The printing colleges have only begun to understand the need for a new form of formal print training. Only in Switzerland is training planned to be "polyvalent" in future, to provide skilled printers and reproducers capable of changing their work routines to suit new technologies.

Pincus Jaspert



First job produced on this five-unit Marinoni web-offset press at Petty and Sons of Leeds was brochures for a leading Belgian package-tour company. The press was commissioned last September.

More demand for security printing

SECURITY PRINTING falls into two main categories: the printing of City documents—rights issues, takeover and merger documents, bond issues, Eurobonds—and the printing of money ,or of promises to pay, in varfous forms, as banknotes, cheques, postal orders and travellers' cheques.

The first of these is largely the preserve of half a dozen companies generally referred to as the "City printers," which compete fiercely for the available work. They are Burrup Mathieson, Williams Lea, Greenaway, Waterlow, Oyez, Metcalfe Cooper and Eden Fisher.

Their work is in the printing of documents which must not be released or seen until a particular time, and often must be printed at extremely short notice. So security, or City, printers must combine secrecy with speed ,requirements which increase their costs (and prices) and necessitate 24-hour working. All City printers pride themselves on their ability to deliver high-quality work rapidly: the skill has been developed to serve a market where the demands are unlike those in any other.

Serving it means—besides 24-hour working—a large typesetting plant geared to capacity working, with a workforce similarly structured, and either an in-house courier service or instant access to one which can cope with international work. This need to cope with a heavy burden of work which comes suddenly and thus to carry excess labour and technical capacity — a characteristic shared with newspapers—means that in periods of recession security printers can be placed in a particularly uncomfortable vice. In their worst year in recent times — 1972-73 — some pruning was required by a number of companies to survive.

Facilities

Business has picked up sharply since then, as City business recovered to a large extent, and more especially, with the growth of the Eurobond and Eurodollar markets. The City printers reckon that their success here over their continental rivals shows that the practices developed in serving the City has made them the most efficient in Europe. While Eurobond issues do not generally pose increased technical problems for printers, they do demand speed of an even higher order than domestic work.

Here, an order may come in to a printer's London office—or through a continental office—morea nd more are finding it worthwhile to be represented in Europe—on one day for delivery in aonther country the next. Therefore, allied to the ability to print rapidly must be rapid and secure delivery.

This booming market, together with the established business for rights issue, takeover and mergers, new companies going public and report and accounts, have made for healthy business in past year. However, 1978 saw a dip in the steady increase in trade for a number of reasons.

First, the traditinal trade has semed to show signs of strain. Fewer and fewer companies are coming to the market for the first time, preferring to find money in different ways. There are, say the printers, fewer rights issues and fewer mergers and takeovers than in former years.

Further, reports and accounts —which is referred to by some printers as "semi-security" work not requiring the quite she same level of security and rarely the same speed, and which is a staple business for all of them—are slowly shrinking as the gradual concentration of companies continues. However, there is some compensation in this area, for a number of the larger public companies are devoting more space and more care to their reports. Sometimes, as in the case of the General Electric Company, printing a synopsis for its workforce separately from the main report—and so the work on each account can often grow.

But the largest cause of the slack year has ben a levelling out of Eurobond work, which most printers agree must be blamed on the dollar. "While the dollar remains weak, then our workload remains lower than otherwise," said one eading printer. "When it picks up, so do we." There have been about 160 bond issues over the past 12 months, down on previous years.

However, all agree that trade should look up in the year ahead, and none apparently has been so badly affected that it has had to lay off staff or cut back on capacity. In certain areas, indeed, there has been expansion. Business for the Middle East has grown, and looks like continuing to do so, and it seems that the UK companies, as a group, have not lost share to other European companies.

Where City printers tend to shy away from publicity, the other type of security printers —the people who actually make the money—are positively invisible. Yet the UK boasts the two leading banknote-printing houses in the world.

Pre-eminent is De La Rue, a specialist money printer for nearly two centuries. The vast majority of its market is overseas—as much as 90 per cent—and it prints not only money but passports, both revenue and postage stamps, identity cards, tickets, vouchers, bonds and share certificates.

Skills

Further, De La Rue prints cheques, credit cards, Giro documents and direct debit slips—everything, in effect, which is money or passes for money. Its factory at Gateshead is the largest of its kind in the world, with a capacity to print about 8m notes a day. There, notes are designed and produced for most countries in the world, using the art of engravers so skilled that their training lasts up to 15 years. The company reckons that it employs as many as half of these highly-skilled craftsmen now working.

The company has one competitor, Bradbury Wilkinson, which serves much the same market from its factory in New Malden. Both companies print money for those countries—still many—which lack their own mint. Both are printers of every kind of money and both use design techniques, including computer-aided design of a type found almost nowhere else, coupled with traditional skills for which few other businesses have any use. Their secrecy, by the way, is not perveres: their customers do not welcome everyone knowing where their money is made.

While there is a long-term threat to the money printers' markets—that of the countries for which they print acquiring their own facilities—they have found that so long as their services are kept efficient and discreet, losses of this kind are few. Besides, such losses are more than compensated for by the steady growth, over recent years, of "money systems" such as Giro, cheques, credit cards and so on. So while the "cashless society's" arrival—if it ever comes—would pose some problems, it is not an event for which they are whilly unprepared.

John Lloyd

THE MANAGEMENT PAGE

Richard C. Hanson on the sweeping changes taking place at Japan's fourth-largest motor company

Mazda recovers some Eastern promise

THE ATMOSPHERE at Toyo Kogyo's Hiroshima headquarters has improved considerably since the oil crisis spelled near disaster for the maker of Mazda cars. Although it still carries a backlog of debt, the company has finally recovered the profit levels of the booming late 1960s: its expanded sales force faces a new year for the first time since the early 1970s with a whole range of promising models.

What matters even more is that Toyo Kogyo's executives have finally decided what to do with their proudest achievement, the rotary engine, though it has taken an embarassingly long time to correct the mistakes of the past.

Behind the new optimism is a sweeping change in management and business strategies aimed at independent survival in the 1980s, much of which has come into focus over the past two years. The changes stem at least partly from the arrival of a new president, Yoshiki Yamasaki, who marks a break from decades of direct rule by chief executives from the founding Matsuda family. Kohei Matsuda, 56, grandson of the founder is still chairman—but no longer wields executive authority.

Despite the prevailing sense of optimism the company will still need all the lucky breaks it can get if it is to compete successfully in the increasingly difficult domestic and international car markets. Toyo Kogyo's position in the Japanese motor industry league table actually fell in 1978 to fourth place, behind Toyota, Nissan and the fast-moving Mitsubishi Motor Corporation.

Toyo Kogyo derives its reputation for being both adventurous and unique from the fact that it is the only motor manufacturer in the world mass-producing rotary as well as piston and diesel engines.

But the emphasis on developing technology for the German-inspired Wankel rotary engine has for years obscured the problem of how best to develop a successful rotary sales strategy. Toyo Kogyo engineers introduced the first rotary car in 1976. Management, however, clung stubbornly to a strategy of building passenger cars which could use either piston or rotary engines interchangeably. This distracted from the distinctiveness of Mazda rotary cars. When the oil crisis struck hard, the poor fuel economy of the Mazda rotary car almost drove it from the vital American market where the novelty of a smoothly whirring high-performance power plant (instead of the traditional "chug chug" of the piston engine) had helped to give it a flying start.

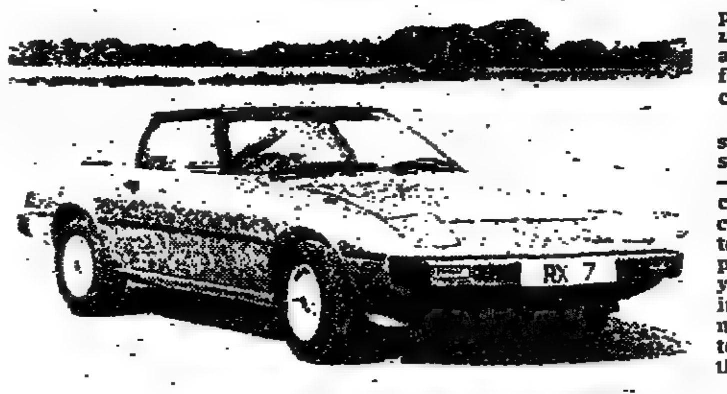
The problem which faced Toyo Kogyo in 1974 was to develop a car which takes advantage of the only real pluses of the rotary engine: compactness, light weight and good performance in acceleration. (The problem of fuel economy has rapidly improved since an initial bad rating and is generally equivalent to piston engine performance now.)

The answer turned out to be a comparatively low-priced sports car, the Mazda RX-7 or Savanna, which appears to be perfectly suited to the rotary. Its introduction in Spring 1978 proved to be a boon both in rebuilding the tarnished Mazda rotary image, and in pushing the sales of other Mazda cars.

The RX-7, particularly in the U.S., has drawn customers back to the Mazda showrooms which were much deserted in 1974. It is hoped that momentum in the U.S. market will be kept up by the launching in overseas markets of a new sport/sedan coupé, the Mazda 626, which uses a piston engine. Meanwhile, the RX-7 will follow up its U.S. debut by appearing in Europe (excluding the UK) this spring.

The success of the rotary sports car is inspiring Toyo Kogyo to develop other exclusively rotary engine cars.

The overall emphasis on the technical side aims to create comparatively unusual products for the 1980s which will secure Mazda's niche in the motor market. This will depend largely on how successful the engineers are in producing the right mix of efficient diesel, piston and new rotary engines.


Mazda RX7—drawing customers back to the showrooms.

The next major advance in rotaries is expected to be the adoption of a catalytic converter to meet future emission control standards on the rotary which would improve fuel economy in city driving conditions by about 25 per cent. A major improvement in diesel engines for passenger cars is under development and a car is likely to join Toyo Kogyo's commercial trucks in using diesels in the not too distant future. Research is also continuing on a rotary engine that will use kerosene ignited by a spark.

Toyo Kogyo management admits to serious communications problems in the past between its development and sales divisions—with the latter suffering badly from neglect. To make up for this, it will have switched nearly 5,000 workers from the production side to boost the sales network by the middle of this year. The move (which incidentally helps to trim production costs) has been welcomed by the distributors who have also been given more financial aid to help them expand.

Domestic sales have already picked up considerably, growing 14 per cent in 1978 with another 17 per cent rise hoped for this year, to total 400,000 cars and trucks.

The only problem is that the switchover of production personnel will only be for two years—thanks to insistence by the company union that the men concerned should be returned to their proper jobs with the parent company. The next two years thus represents a breathing space during which permanent solutions must be found to the problem of strengthening the sales side.

Overseas, where about 60 per cent of Mazda's cars and commercial vehicles are sold, there are also some potentially serious problems. Toyo Kogyo's executives fear the growth of competition overseas, particularly in the small-car market which the Americans will be entering in full force before too long.

In 1979, overseas sales will grow because of the introduction of new models but last year's exports rose only 2 per cent—to 536,000 units. And this year, too, the growth rate may be limited to a mere 2 or 3 per cent because of the impact of the Yen appreciation on overseas prices.

Toyo Kogyo originally set out to make its range of sports cars cheaper than models offered by rival manufacturers (besides offering the special attraction of the rotary engine). However, the cost of the lower priced sports car model in the U.S. has gone from $6,395 when introduced in May last year to nearly $7,000. The more expensive model went up $1,000 to nearly $8,000.

Management regards an exchange rate of Y100 to the dollar as the limit at which it can profitably sell in the U.S. (the present rate is about Y190).

Adding to the uncertainty of the export outlook into the 1980s is the likelihood that Toyo Kogyo's exports of small trucks for sale by Ford in America could be hurt by new U.S. regulations. From 1980 onwards, U.S. car makers will have to meet more stringent fuel consumption standards for all vehicles made in the U.S.(excluding "captive" imports like Ford's of "Courier" trucks from Toyo Kogyo). This could push Ford into small truck production on its own. Toyo Kogyo plans to produce Couriers until at least next year, when Ford will have to come to a decision.

Before making a start at tackling its post oil crisis problems, Toyo Kogyo's management was reinforced by an infusion of executives from its major banks, Sumitomo Bank and Sumitomo Trust and Banking Corporation. The bankers started moving in when the company found itself faced with debts totalling Y358bn in 1975. By last October the debt burden had been reduced to Y313.6bn. Because of improvement in its financial position, Toyo Kogyo has decided to switch from paying for contracted goods on a promissory note basis to a 50 per cent cash basis policy.

Although plenty of problems stil lie ahead, Toyo Kogyo refuses to entertain any thought of eventually joining with another motor company—either domestic or foreign. It has been independent for 60 years since it started as a cork manufacturer. The company's relatively distant location on the southern tip of Japan's main island of Honshu seems to strengthen the independent, team spirit attitude. (The new president once coached the company soccer team.)

It is likely, however, that the international motor industry will see some major restructuring in the next decade. It is very difficult to see how Japan's 10, aggresively competing car makers, can avoid some regrouping among themselves, or stronger ties with U.S. or European producers.

The correctness of Toyo Kogyo's decision to hold fast to the rotary engine as a mainstay for the future (partly taken to maintain its pride in having chosen it in the first place) while all others have stayed away from it—will be a decisive factor in its ability to survive alone.

A tilt at the business school

BY GEOFFREY OWEN

THE inadequacy of British management is the most convenient explanation for the UK's disappointing industrial performance since the war; it can be used to account for virtually all our problems, from faulty product design to bad labour relations. The argument comes in two parts: that for social reasons industry, especially manufacturing industry, has attracted too small a proportion of the country's ablest people, and that those who do embark on a career in industrial management are poorly trained for the job.

It was to improve the status and qualifications of industrial managers that the National Economic Development Council recommended, in its 1963 report on "Conditions favourable to faster growth," the formation of at least one school or institute comparable with the Harvard Business School in the U.S. This led to the creation of business schools in London, Manchester and several other centres. Management education flowered. What is now the Management Page of the Financial Times was launched and there was intense interest in new, mainly American, management techniques.

Yet in recent years there have been signs of disillusionment with this approach. In a useful collection of papers* on "Manufacturing and Management," just published by the Department of Industry, several authors point out that in countries like Germany, France and Sweden, whose industrial performance has been superior to that of the UK, the notion of management as a sort of profession which can be studied in specialised institutions has not taken hold. The suggestion is that, by giving managers a superior status and equipping them with knowledge and techniques of doubtful relevance to the real world, Britain's business schools may actually be widening the gap between the so-called professional manager and the practical problems of industry—which are concerned with designing, making and selling things. In continental countries it is these practical skills which are most highly valued.

In Germany, says Ian Glover, one of the editors of the book, functional qualifications and expertise are important in the selection process at all levels, including the highest ones. "Those who succeed do so as specialists who show ability to take on more responsibility; there is no dividing line, as there is in Britain, above which individuals re-classify themselves at managers."

In Sweden the typical entrant into a large manufacturing concern is a graduate in engineering who begins his career in production before making a shift to a senior management job in his 30s or 40s.

Arndt Sorge of the International Institute of Management in Berlin emphasises the strongly vocational bias of German higher education, especially the technical universities. The second half of a four-year degree course is largely concerned with a speciality like automobile or aircraft engineering. "Teaching has a highly practical bent and can be compared to the professional training of teaching hospitals in Britain; it would compromise most of what professional engineering institutions in the UK are supposed to coordinate after university studies in engineering have been completed."

According to Sorge, the German word "manager" has some negative connotations, partly because it was first used to describe such people as organisers of boxing matches and circuses; it was a label for "a certain astuteness in emptying the common man's pockets by just putting on a show without being able to perform in it." More seriously, the manager is felt to have no intrinsic attachment to whatever happens to be his "throughput." "He is regarded as a jack-of-all-trades, dabbling in all kinds of things here and there, without serious dedication to a well-defined life-time activity."

It is accepted in Germany that people must have a thorough grounding in a vocationally-oriented institution of higher education before starting on the management ladder. "The idea of management as a profession does not occur; instead, separate occupational identities of engineers, sales people, financial people, etc are fostered." Sorge shares the scepticism of senior German managers about the value of general management courses. He thinks that the management centres, of which there are several in Germany, should concentrate on specific tasks—notably familiarising specialists like production engineers with techniques and knowledge outside their speciality.

In another paper Alistair Mant reports the comments on British management made by senior executives in Swedish companies with UK manufacturing subsidiaries. Among the findings are that the British manager thinks of himself as being a manager rather than doing a particular kind of work; he is seen to abhor detail and to assume, usually incorrectly, that attention to detail may readily be delegated downwards; and he is felt to lack fundamental interest in the technologies he is managing. Mant refers to other productivity comparisons which show a slackness at lower levels of British management leading to excessive waiting time and over-manning.

There is a great deal of interest for managers and students of management in this book. But one wonders whether some of the authors, in their enthusiasm for the Continental approach to industrial management, are not under-rating the importance of American ideas. Management science, mainly developed in the U.S. and defined by B. T. Jenkins of ICI Petrochemicals as "the attempt to derive valid generalisations from observation of industrial phenomena" — has certainly helped to improve management effectiveness. American experience is at least as relevant to the UK's industrial problems as that of Germany or Sweden. In the UK the role played by U.S.-owned companies, especially Ford, in upgrading the quality of management has been significant.

Another oddity is that the themes touched on in the opening paper by a successful industrialist, Michael Edwardes of British Leyland, are virtually ignored by the other contributors. Edwardes calls for changes in the tax system so that the incentive of personal reward can be restored at all levels. Have the other writers, mainly academics, considered this point in their researches and concluded that it is not a central issue?

Of course it would be wrong to over-rate the importance of personal reward; it is in any case not directly relevant to the main theme of the book—the mismatch between what manufacturing industry needs and what the schools and universities supply. But it is surely worth considering the possibility that British managers would perform better if the burden of taxation was reduced. Such an improvement in performance might even offset their supposed educational deficiencies.

Manufacturing and management; the published collection of papers given at a conference organised by the Department of Industry in December, 1976, at the City University; edited by Michael Fores and Ian Glover; HMSO £3.25

LOMBARD

Professors must be watched

BY DAVID FISHLOCK

BEWARE OF the academic, warned Lord Rothschild in his Dimbleby lecture on risk recently. "I sometimes think that when talking or reading about risk the most dangerous word in the English language is professor." These, it should be recalled, are the words of a man who throughout a career spanning industry, the Civil Service and banking, has always retained the closest associations with the University of Cambridge.

A couple of studies on energy matters just published in Britain give point to his warning. Both appear publicly in the guise of being dispassionate analyses. Yet neither one seems to stand up to close examination, either in the rigour of its analysis or the independence of its conclusions. Both, I suggest, are essays attempting to justify their author's preferences.

Example

My first example is an examination of the Windscale Public Inquiry of 1977, into the plans of British Nuclear Fuels for a £600m chemical plant. The Social Science Research Council gave David Pearce, professor of political economy at the University of Aberdeen, a grant to study the inquiry procedure: the Windscale assessment and review project. One report of his findings has just been enshrined between hard covers in the proceedings of a nuclear symposium held in London last summer.*

Under the bold heading "conclusions" Professor Pearce makes two points. "First, that failure to establish institutions which 'legitimise' nuclear opposition will merely result in that opposition expressing itself in socially undesirable ways. The opposition will not 'go away'."

His second conclusion is, he admits, not a conclusion at all but a prediction. This is that "failure to establish or modify institutions so that they can in some way approximate to the 'model' we have suggested will also result in the same phenomenon."

Now even the first, as the reader will readily appreciate, is not a conclusion but pure supposition. What is more, it is neither supported by the analysis which precedes it nor by past events. The closest analogy to current attempts in Britain to sustain a campaign against nuclear energy is the Campaign for Nuclear Disarmament of the 1950s. By the early 1960s CND had convinced itself that it needed only a change of government and Britain would abandon the bomb. Instead the incoming Labour Government of 1974 ordered more nuclear submarines—and CND collapsed.

My second example is the report of a new London "think tank" called the International Institute for Environment and Development, offering a "low-energy strategy" for Britain.† It is the outcome of a study funded by the Ford Foundation. To quote its own conclusion, it suggests a "future of low risk."

The "risks" at which it hints are never spelled out. But the reader is left in no doubt that they must lurk somewhere in central electricity supplies and plans for growing dependence on nuclear energy. Instead, the 259 pages of the report are devoted—in agonising detail—to the myriad measures that must be implemented in order to restrict electricity growth to an absolute minimum and nuclear construction to a level at which (as the authors will be well aware) it is simply unsupportable. The return to coal-fired trains they advocate will be the least of our worries in a life in which energy thrift will surely supplant the weather and strikes as our national preoccupations.

Similar

"We have found that it is astonishingly easy to save energy," Mr. Gerald Leach, the think tank's founder and the man who persuaded the Ford Foundation to finance the study, has been reported as saying. But how dispassionate an analysis was it? Mr. Leach was confident enough of the outcome of his research to appear at the Windscale inquiry back in 1977, testifying against the nuclear plans. What is more, his case then—at the start of his own study — sounded remarkably similar to the final conclusions of the report.

* International symposium on uranium supply and demand, published by the Uranium Institute.

† A low energy strategy for the UK, published by the International Institute for the Environment and Development.

The decline of creative sparkle

FILM AND VIDEO

BY JOHN CHITTOCK

DESPITE THE enthusiastic picture of the video revolution often projected here, this column reflects only what is actually happening in the audio-visual world outside. Video has dominated the scene so much in recent years that my less charitable friends have suggested that I am slyly trying to kill off the film industry. For them, a word of cheer — based on those reflections from the audio-visual universe: the sponsored film is alive, extremely active and very well-nourished.

Prolific centre

Recent weeks in London, which outside of the U.S. is the most prolific centre of sponsored film production in the world, yield evidence enough. A phalanx of films has been crowding the screens of preview theatres across the metropolis. As a sampler, those notified which I had no time to see include two from the Health and Safety Executive (*One Step Away*—safety on roofs, and *John Davies, Factory Inspector*—profile of the job); the Advertising Association's provocative titled *Who Needs Advertising?*; Abbey Life Assurance Company's film report of their 1977/78 Hunter Trial Championships of Great Britain; the National Farmers Union's *How Fares the Land?*; the Department of Transport's unfortunately well-timed cycling promotion *Free Wheeling*, and from the British Epilepsy Association and Reckitt-Labaz, *Epilepsy — A Label for Life?*

European readers in the sponsored film industry will also note with envy the record entry of 192 films for the British Sponsored Film Festival — BISFA 79 — the selection screenings of which start early next month in London. The festival itself takes place in Brighton in May at which will be chosen Britain's entry for the international festival, which moves this September to Stockholm. Almost certainly, Britain's entry this year will be the biggest.

The sponsored film may be prospering and have a well-nourished look; but I continue to fear that obesity could be setting in. The decline of creative sparkle has been a frequent complaint in this column and I see no signs of change ahead. The only consolation is that the bad films are fewer. Better average standards seem to come from a great levelling of quality.

The danger is exemplified in the latest offering from Britain's most consistent sponsor of high-quality film, British Petroleum. In *Planet Water*, BP has released another of those natural science epics—superbly photographed, skilfully assembled, beautifully finished. But what emerges is a bland, uncommitted examination of the ocean and its life that owes more to the coffee table encyclopedia of wonderful knowledge than to realities with which we can identify today. Coming in the same fortnight as the start of David Attenborough's masterly television series, *Life on Earth*, comparison is inevitable.

The first of the television series has all of the production polish of the BP film, including even more superlative camerawork; for its music it even uses a composer — Edward Williams — who has written more scores for BP films than possibly any other person. But its supremacy, its interest, its sheer magnificence comes from its modesty in relating life on earth to realities we can assimilate. BP's film seems to sacrifice intellectual commitment for creative self-consciousness — and that is the cause of so much blandness in sponsored films today. No one is really trying to say very much.

The extreme alternative to the BP condition is to reject all notions of creative sparkle and go for a straight slice of story telling. This is the style-stores. Although the title twists of a training film from Lyons Maid about the handing of fork lift trucks, specifically in cold the tongue — *Particularly Poor Albert* — the narrative flows easily and makes the film effortless viewing. It is a very competent account of things that go wrong in a cold store, leading to the death of an employee. One cannot really fault the film in accomplishing its purpose, exposing the dangers, motivating the audience. It seems churlish, therefore, to add that this somehow reflects the society which produced convenience foods, synthetic fibres and mass-produced motor-cars. It's efficient, it works, it does its job — but something rather worrying is missing. Perhaps it is the human imprint of the craftsman, the organic feeling of nature, the absence of real humanity in the clever synthesis of life.

Shell International gets a little closer to the lost spirit in another training film, *The Safety Net*. This again adopts the dramatised narrative approach, using actors to unfold the events that lead to a fire in an oil refinery. The components of the film serve the story with the same efficiency of the Lyons Maid production—indeed, with more consummate professionalism. Yet the capturing of some of the old spirit of cinema owes more to a sensitive depiction of people, who in this film have more flesh and character. In consequence, the viewer identifies closely with the action; a rapport is established with the *dramatis personae*.

Yet this is only a faint reflection of the qualities which once dominated the sponsored film. Gone is the old tradition of the cinema, the real commitment and concern from film-maker and sponsor together. It is this zest and sincerity which is missing most of all; the same enthusiasm and perception which lifts David Attenborough's series into the realms of greatness.

I have admiration, however, for the Halifax Building Society in really trying to take a leap into new territory with its film *Rock Solid*. This is a pop operetta, a teenage pastiche of *West Side Story*. No story, no dialogue, just a street corner studio set with three hip-wriggling compositions specially written for the film and performed with great professionalism by a teenage cast. The lyrics, for those attuned to hearing the words in pop pieces, slip the building society message home—"Where are we going—What is life about, if only we had some place to go and no one threw us out," and "No one's gonna give you anything, with places costing what they do, You're never gonna get enough, to make your dream come true."

I hate pop music. I was brought up on Cole Porter and reached my zenith of appreciation at Sergeant Pepper's Lonely Hearts Club. But it is clear to me that where my own muscles go tense, teenagers will flutter and swoon at this rumbustious film. From a film-maker's point of view, it is an exercise of pure craftsmanship.

Cynical view

It works and does its intended job superbly. But it perpetuates much in society which I find worrying—synthetic, detached from the warmth of humanity. But perhaps the most cynical view might be that this is a real reflection of life today. Perhaps the words of its mind-bending lyrics offer a clue to the trouble—"Is it any wonder I'm a troubled child, I'm not like my brother, he turned out meek and mild (oooh)." Clearly, those who will inherit the earth are anti-heroes of today.

Pulling in cash against odds

RACING

BY DOMINIC WIGAN

WITH MORE than £2m of sponsors' money due to be pumped into racing this year (more than soccer, cricket and tennis combined) it is ironic to find that the sport's backers may not in some cases be getting the degree of publicity they expected.

According to Gillette's market research department, racing is far from the best bet for a company seeking maximum coverage through sponsorship. A recent survey of 571 men of all socio-economic groups showed that racing lags far behind soccer and compares unfavourably with cricket, boxing, athletics and tennis.

Three other sports apparently favoured by the public are golf, motor racing and show-jumping.

However, in spite of that unfavourable report, which also suggested that racing appeals most to the over-55s and least to those in the 15-24 age group, the turf continues to attract new sponsors, large and small, without much difficulty.

By far the biggest single injection of prize money for a race by a new sponsor in 1979 is the £65,000 to be put up by the Cirencester-based Colt car company. Colt, part of Japan's Mitsubishi Corporation, jumped at the chance of taking the Grand National when telephoned by the recently formed British Racing Sponsorships.

Formed last year by Alan Cure, an owner-trainer of jumpers and chairman of the Weather Oak printing group, British Racing Sponsorships will handle the National for Colt, which has a three-year option on the race.

Bookmakers, who contributed 25.8 per cent of £1.8m race sponsorship money in 1978, continue to pour cash into sponsorship. The Tote, in particular, seems to be the organisation to watch at the moment.

Among prominent companies, it is increasing its sponsorship the most dramatically. From an injection of £35,000 last year, the Tote will almost treble its input in 1979 with more than £100,000.

On Saturday that organisation puts up a total of £16,000 towards three new races, the Tote Jackpot Chase, the Tote Double Chase and the Tote Treble Chase, at Cheltenham. Next month sees two further newcomers from the Tote in the Tote Pattern Chase and the Tote Place Pot Hurdle at Kempton. Those replace the now discontinued Yellow Pages event on the Sunbury track.

An encouraging feature of sponsorship in racing is the steady increase in races supported by small companies setting out to entertain staff or customers. Most of those events are not televised and many small courses would be in difficulties without their aid.

TV/Radio

BBC 1

† Indicates programme in black and white

9.10 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Playboard. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Pobol Y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Screen Test. 5.05 John Craven's Newsround. 5.10 Grange Hill.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.50 The Osmonds (London and South East only).
7.20 Blake's Seven.
8.10 Dallas.
9.00 News.
9.25 Play For Today.
10.50 Tonight.
11.30 On The Rocks.
11.55 Weather/Regional News.

All Regions as BBC-1 except at the following times:

Wales—10.00-10.20 am I Ysgolion. 2.32-2.37 pm For Schools. 5.55-6.20 Wales Today. 6.50 Heddiw. 7.10 Pobol Y Cym. 7.40-8.10 A Question Of Sport. 11.30 Dechrau Diarad. 11.55 News, Weather for Wales.

Scotland—5.55-6.20 pm Reporting Scotland. 6.50-7.20 Two Views of Burns. 10.50-11.30 Tuesday Night. 11.55 News Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.50-7.20 The Canticle Songbook. 11.55 News, Weather for Northern Ireland.

England—5.55-6.20 Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.50-7.20 East (Norwich) Sporting Types; Midlands (Birmingham) Look! Hear!; North (Leeds) The Object in Question; North East (Newcastle) Tuesday North; North West (Manchester) A Grand Sing; South (Southampton) Hey Look . . . That's Me!; South West (Plymouth) Peninsula; West (Bristol) Sports Show.

BBC 2

10.30 am Worktalk.
11.00 Play School.
2.30 pm The Business World.
3.00 Crime Writers.
3.30 The Living City.
4.40 Conversazioni.
5.00 Open University.
†5.40 Charlie Chaplin in "The Fireman."
6.10 News On 2 Headlines.
6.15 The Fishing Race.
6.40 In The Making.
7.00 The Great Egg Race.
7.30 Master Game Trophy Chess Tournament.
8.00 Mid-Evening News.
8.10 Life On Earth.
9.05 Call My Bluff.
9.35 Man Alive.
10.25 Don Williams in Concert.
11.15 Late News.
11.30 The Old Grey Whistle Test.

LONDON

9.30 am Schools Programme. 12.00 Issi Noho. 12.10 pm Rainbow. 12.30 The Cedar Tree. 1.00 *News plus FT Index*. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 Tuesday Matinee: "Morgan" starring Vanessa Redgrave. 4.11 Cartoon Time. 4.20 Michael Bentine's Potty Time. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames At 6.
6.25 Help!
6.35 Crossroads.
7.00 Give Us A Clue.
7.30 Charlie's Angels.
8.30 Room Service.
10.00 News.
9.00 Strangers.
10.30 Once In A Lifetime.
11.15 Lou Grant.
12.10 am Close: Oliver Maguire reads from the Bible with a painting by Michelangelo.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 2.25 Raffles. 3.20 Heart to Heart. 3.50 The Entertainers. 6.00 About Anglia. 7.00 Bygones. 11.45 Police Surgeon. 12.15 am So You're Lonely.

ATV

1.20 pm ATV Newsdesk. 2.25 The Tuesday Movie: "Eight On The Run," starring Bob Hope. 5.15 Mr. and Mrs. 6.00 ATV Today. 7.00 Emmerdale Farm. 11.15 Butlin's Grand Masters Darts Championship. 11.50 Something Different.

BORDER

†1.20 pm Border News. 2.00 Houseparty. 2.25 Raffles. 3.20 Heart to Heart. 3.50 Untamed World. 5.15 Out of Town. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 11.15 Our People. 11.45 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 2.25 Raffles. 3.20 Heart to Heart. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. 6.00 Report at Six. 7.00 Treasure Hunt. 10.28 Channel Late News. 11.15 Our People. 11.45 Police Surgeon. 12.10 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 2.00 The Regions Report. †2.25 Tuesday Matinee: "The Wrong Arm of the Law." 5.15 Mr. and Mrs. 6.00 Grampian Today. 6.05 Country Focus. 11.15 Our People. 11.45 Reflections 11.50 Grampian Late Night Headlines.

GRANADA

1.20 pm This Is Your Right. 2.25 Raffles. 3.20 Heart to Heart. 3.50 You're Only Young Twice. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 University Challenge. 11.15 Our People. 11.45 Oscar Peterson Presents.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 The Regions Report. †2.30 The Tuesday Matinee: "Town On Trial." 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Country Comes West. 7.00 Mr and Mrs. 11.15 Our People. 11.45 Donna Summer's Disco Party.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 10.30 Bywyd. 11.45-12.15 am World in Action.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 2.25 The Family. 3.20 Regions Report. 3.50 Out of Town. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 What's Your Problem. 7.00 Emmerdale Farm. 11.15 Living and Growing. 11.45 Late Call. 11.50 Stars on Ice.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.25 Raffles. 3.20 Heart to Heart. 3.50 The Rolf Harris Show. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day including Southsport. 6.45 Dick Barton—Special Agent. 7.00 Emmerdale Farm. 11.15 Southern News Extra. 11.25 Our People. 11.55 Police Surgeon.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.25 Raffles. 3.20 Heart to Heart. 3.50 Bailey's Bird. 5.15 You Can Make It. 6.00 Northern Life. 7.00 Emmerdale Farm. 11.15 Our People. 11.45 Epilogue.

ULSTER

1.20 pm Lunchtime. 2.00 Regions Report. 2.30 Tuesday Matinee: "The Wrong Arm Of The Law." 4.18 Ulster News Headlines. 5.15 Cartoon. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 11.15 Bedtime.

WESTWARD

12.27pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 Raffles. 3.20 Heart to Heart. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. 6.00 Westward Diary. 7.00 *Treasure Hunt* 10.28 Westward Late News. 11.15 Our People. 11.45 Police Surgeon. 12.10 am Faith for Life.

YORKSHIRE

1.20 pm Calendar News. 2.25 Raffles. 3.20 Calendar Tuesday. 3.50 The *Entertainers*. 5.15 *Doctor On The Go*. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 11.15 Our People.

Radio Wavelengths

1 1053kHz/285m, 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m, 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.00 Andy Peebles 5.30 Newsbeat. 5.45 Kid Jensen. 7.30 As Radio 2. 10.02 John Peel (S) 12.00-2.02 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 8.00 Tuesday Night is Gala Night (S). 9.55 Sports Desk. 10.00 With Radio 1. 12.00-2.02 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.02 David Allan (S). 7.32 Terry Wogan (S). 10.02 Jimmy Young (S) 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 Ray Moore (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 On The Third Beat (S). 7.30 Folk 79 (S). 8.00 Sport on 2 Special. 10.02 Laughter In The Air (4) 11.02 Brian Matthew presents Round Midnight including 12.00 News. 2.00-2.02 am News Summary.

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: The Court of Frederick The Great (S). 9.45 Beethoven piano recital, part 1 (S). 10.35 Interval Reading. 10.40 Recital, part 2 11.25 Philip Jones Brass Ensemble (S). 12.15 pm Cardiff Midday Prom, part 1 (S) 1.00 News 1.05 The Arts Worldwide. 1.25 Midday Prom, part 2 (S). 2.25 Music at St George's, Bristol (S). 3.25 Quintet of Winds (S). 4.10 New Music from Austria (S). 5.15 Jazz Today (S). 5.45 Homeward Bound (S). 6.30 News. 6.35 At Home (S). 7.30 Reger piano recital (S). 8.00 Haitink and Barenboim at The Royal Festival Hall, part 1: Haydn, Bartok (S). 8.55 Rewriting Jewish History (talk by Chaim Raphael (S). 9.15 Haitink and Barenboim at The Royal Festival Hall, part 2: Beethoven (S) 10.10 The Dutch Revolt by Geoffrey Parker 10.40 French Song (S). 11.15 An Eskimo Storyteller (talk by Tom Lowenstein). 11.55 News.

RADIO 4

6.00 am News Briefing 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. Magazine, including 6.45 Prayer for the Day: 7.00, 8.00 Today's News; 7.30, 8.30 News headlines: 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call 10.00 News. 10.05 Local Time. 10.30 Daily Service 10.45 Morning Story. 11.00 Thirty-Minute Theatre. 11.30 Chapter and Verse. 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.20 Desert Island Discs. 12.55 Weather, programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Questions to the Prime Minister. 3.35 Fame Is The Spur (S). 4.30 Announcements. 4.35 Story Time. 5.00 PM. News magazine. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.30 Just a Minute (S). 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 Policewoman. 8.45 Man or Plant? 9.30 Kaleidoscope. 9.59 Weather 10.00 The World Tonight. 10.30 You've Got To Be Joking (S) 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase 4.03 Home Run 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 All That Jazz 10.03 Late Night London. 12.00 As Radio 2. 12.05 pm Question Time. 1.05-Close: As Radio 2.

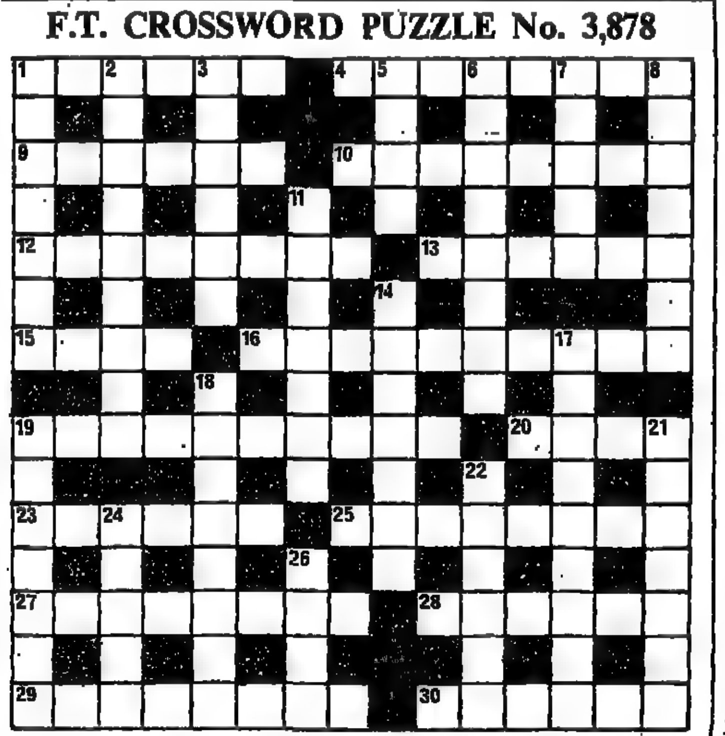
London Broadcasting

5.00 am Morning Music. 6.00 AM: News, information, travel, sport. 10.00 Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

00 am Mike Smith's Breakfast Show (S) 9.00 Michael Aspel (S). 12.00 Dave Cash (S) 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Your Mother Wouldn't Like It with Nicky Horne (S) 11.00 Tony Myatt's Late Show (S) 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,878



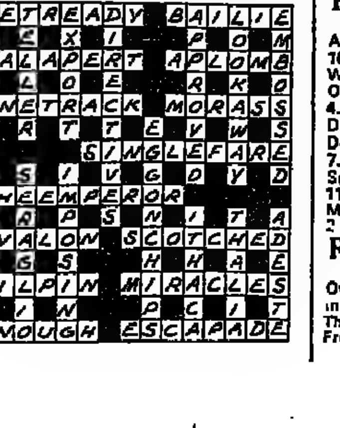
ACROSS

1 Try to get about one pound for a hat (6)
4 Carry on with nothing mixed about a pump (8)
9 Turn up at a race before the finish (6)
10 Project of professional team-leader with uncultured following (8)
12 Fish a location using leech? (8)
13 Great finish in motor-car engine (3, 3)
15 Leave the stage without it (4)
16 Blamed odds he accepted and swore (10)
19 Small man on board changed direction at head of river for uncle (10)
20 Lump of earth left in fish (4)
23 Tricky opening move and state doctor gets it (6)
25 Negligently depend upon young girl being admitted (8)
27 Publicises outing from runway (8)
28 It appears in the north-west with it, the fool! (6)
29 Tied there to dry outside (8)
30 Petition for each to accept fish (6)

DOWN

1 Vagrant the French tread underfoot (7)
2 Bury what is seen in formal meeting (9)
3 Beat about in rising and exile (6)
5 Giant making some progress (4)
6 Not in correctly but without reservation (8)
7 Evil practice for sailor to employ (5)
8 Gave out and gave in (7)
11 Male offspring about to lean over cheese (7)
14 Conducted us here and demonstrated initially (7)
17 Distant in thought (5, 4)
18 Sailors in the drink (8)
19 Display one side of a book (7)
21 Leading player after 24 hours is bright in the morning (7)
22 Metal that is right although smaller (6)
24 Weary Frenchman turning up in desert (5)
26 Chop up game (4)

Solution to Puzzle No. 3,877



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA. Winners 1978 SWET Award ...

THEATRES

NATIONAL THEATRE. 928 2252. OLIVIER (open stage) Tonight & Tomorrow 7.30 STRIFE by Galsworthy. LYTTELTON (proscenium stage): Tonight & Tomorrow 7.45 BETRAYAL new play ...

THEATRES

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sat. 2.45. STRATFORD JOHNS. SHEILA HANCOCK. ANNIE ...

VAUDEVILLE. CC. 836 9988. LIMITED SEASON. Opening Feb. 7 at 7 pm then Evgs. 8 until March 3. ASPECTS OF MAX WALL. AN EVENING OF LAUGHTER.

... Agatha Christie's DEATH ON THE NILE (A): Sep. perfs. dly. 2.00, 5.00, 8.00. Lte. show Sat. 11.00. Seats bkble. 3: Jill Clayburgh, Alan Bates in Paul Mazursky's AN UNMARRIED WOMAN (X). Progs. 1.05, 3.30, 6.00, 8.45. Lte. show Sat. 10.50.

THE ARTS

Musee d'Art Moderne, Paris

Un Certain Art Anglais

by WILLIAM PACKER

The women too must have their turn, for it would be dangerous indeed these days to forget them; and it is good to see Philippa Encobichon given an international outing, especially so as her distinctive photographic works that mark the passage of the seasons across the landscape, sit very well, and make excellent sense, alongside the better-known works of Long, Fulton and Hilliard—but is it really necessary to celebrate Mary Kelly's tedious narcissism, albeit at one embarrassing, mewling remove, again? And Alexis Hunter's tasteful masochism seems rather more tiresome now than it was at the Hayward in the summer.

There are other artists whose inclusion seems, to say the least, over generous. John Stezaker has left off for now his clumsy theorising, but the collages here, though competent enough, are emphatically unremarkable; while the effusions of Art and Language, the earnest, good intentions of the Artists' Placement Group, and the equally well-meant but dangerously misplaced, sentimental and perfunctory propaganda of Conrad Atkinson, provide yet more examples of that curious and worrying crisis of selection, in which the guiding principle would seem to be an overwhelming desire to fall over backwards, or flat on the face, to demonstrate a sympathy with an alien cause. Victor Burgin is another whose heart is well to the left, where perhaps it should be, but whose work is tendentious, pompous, and not very good. No matter that the work is boring, repetitive or inept, it seems, just so long as the artist's ideas are sound.

But all is not desperate: indeed the show enjoys a healthy balance of virtue, and it would be wrong to over-stress its shortcomings. Stephen Willats, for example, even contrives to make stylish and intriguing use of the very sociological documentary that is so boring in other hands, all the more effectively, perhaps, for being able to adopt a somewhat ironical detachment and ambiguity in his narrative (I hope to consider his current show at the Whitechapel another time). And the show begins strongly, with a circle of slate slabs by Richard Long occupying the floor of the isolated space at the top of the stairs. I have treated Long rather harshly in the past, but this is as good a showing as I have seen by him, disciplined and effective, as are the photographic works that back up the piece, and evoke and mark his various journeyings.

Hamish Fulton is another artist who works by setting off into the wilderness, but he sets up no cairns, leaves no trace, brings back no sculpture; all we are given are his extraordinary and beautiful photographs of remote landscape, curiously impassive and ambiguous images, by which to imagine for ourselves his activity. Hung next door to each other, Fulton and Long make an impressive pair. Next comes Miss Encobichon, and then John Hilliard, yet another artist to use the photograph exclusively. His work is narrative of a kind, contrived by the careful selection of his subject tableau which he exploits with satisfying ingenuity, shifting perhaps the focus of the lens or altering the cropping of the composition to achieve his serial purpose.

Stephen Buckley shows four recent paintings, a little uneasily in the company but good enough: Simon Read, who makes his own cameras that bend the paper, distort the image, and pivot through a full circle; shows the strange and impressive roundel images that come out of them; and Glen Onwin's punt sits, quietly surrealistic and oddly poetic, against the wall. There are the performance artists too, none of whom I was able to see in full stride, though I must say that Bruce MacLean is never boring, Stuart Brisley usually impressive, both of them always intelligent.

What the French will make of it all, I cannot say. The overwhelming emphasis on photographic work was, I am assured by the selectors, quite uncontrived, and should not be construed at all as being anything so substantial as a trend. The absence of orthodox sculpture, and the inclusion of so little painting, are equally misleading. The French avant-garde, such as it is, might regret the lack of intellectual rigour and political excitement, others the general lack of blood and guts and sex. The show is very stylish, rather romantic in a quiet, bucolic way, often witty, always tasteful, most intriguingly uncontroversial. For myself I regret not the kind of show it is, but only the inclusion of a significant number of inferior artists.

The British Council, so good at waving our flag abroad, has not always been so careful to wave its own at home, with the result that it has too often been misunderstood and misrepresented, its role and achievement in the world but dimly apprehended by the few and quite beyond the comprehension of the many. And what goes unappreciated is all too vulnerable: the shock of surprised and hurt panic that swept through its halls some time ago, when it was seriously suggested to the Government, that the organisation was a luxury we might well discard, in the name of economy, was matched only by the incredulity abroad that anyone, even the British, could be so self-damagingly crass.

That danger is past for the moment, but the Council is at last alive to it, and taking steps. Its Fine Arts Department Newssheet, for example, now comes through the letter-box at intervals, with number two just arrived and listing the exhibitions of British Art with which it is involved in this first quarter of the year. It might be simply that a little financial help has been given to an artist, or perhaps an international collaboration effected, a single loan exhibition put on, or a tour set up: whichever they are, 34 such shows are now current and visiting 20 countries between them, Punch Cartoons off to Austria, The Rake's Progress, Hockney and Hogarth together, to India.

It is important to know that these things go on, and the list is impressive. In Paris, at the old Musée d'Art Moderne, high on its terrace over the Seine, a substantial exhibition has just opened (until March 12, and then on to Brussels), a joint venture with ARC/Paris somewhat archly but tactfully entitled "Un Certain Art Anglais." It is a group show of work from the seventies and very mixed, though it all hangs very easily, and sometimes even handsomely, together. But it was wise not to claim too much on its behalf, for it represents indeed only a narrow view across the contemporary field: it is in no sense definitive and not particularly experimental or avant-garde. With only the odd exception, all of the two dozen or so artists, or groups of artists, have been around for some time and are familiar enough, at least within our cosy art world. All enjoy a certain critical or curatorial respectability. They tend, in short, all of them, to have powerful friends.

Good luck to them, of course; and though by no means all are favourites, I do admire a number of them very much. But, unfortunately, there remains a predictability in the selection that is a trifle dispiriting, a strong whiff of the stale air of a safe establishment: and the work, or rather our view of the work, suffers. Paul Waplington, for example, one of only three painters and the only figurative painter in the show, might still have a chance of developing into an interesting artist, but for the moment he is condemned to appear in every show of a certain kind simply because his impeccable working-class credentials, and his honest, toiling, but very decorative images, have put him aside from criticism. His pictures are quite good, but a fog of special pleading obscures them.

Slate Circle 1978, by Richard Long

Chic

Hammersmith Odeon

Chic by ANTONY THORNCROFT

If any band is going to make the disco craze musically respectable it is Chic. Disco has caught the more political and academic pop observers very much on the hop because it is blatantly commercial, extremely popular, and in no way serious. It was a happy reaction to the church-like atmosphere introduced to concert going by the big-brained groups of the early seventies.

Now, wading through the John Travolta and Bee Gee candy floss, some quite sharp groups are emerging. Boney M might be giving their accountants most work but Chic would seem to have the musical drop on them, judging by a successful Saturday night appearance at Hammersmith. Chic are out of New York and it is interesting that their sound is much more ethnic and hard-edged than the Munich-based approach of Boney M. All the money making trappings are there—the plugs for the records; the performing of a show rather than the reacting to an audience; the pretty costumes; the dazzling lights; but by bringing the instruments into the group—Chic has two pretty girls, plus leader Bernard Edwards on bass and Nile Rodgers on guitar—they produce very attacking music. The beat from the drums and the bass, supported by a trio of violins, makes the inevitable body movements the contribution of Africa rather than of the sound engineers of Germany.

It was stand up and jig for the packed house from the start but Edwards was able to orchestrate the show so that everyone sat for the slow and seductive *At last I am free* and for the encore there was a return for *Le Freak*, the Chic hit which is currently the best selling record in the U.S. It sent the crowd home happy. If the eyes and the ears and the body were not enough to suggest that Chic can be enjoyed without cultural embarrassment, the attendance of a good many blacks confirmed that there is one pop group with enough genuine soul in them to score with a more demanding audience than Radio One.

Young Vic in the Old

The Young Vic is taking over the Old Vic—at least for six weeks from February 20. The productions by Michael Bogdanov of *Richard III*, *Hamlet* and *The Tempest*, staged under the Action Man theme, are transferring to the larger theatre after their successful run at the Young Vic. Young Vic seat prices will be charged.

It is hoped that the Young Vic and Prospect, which is now based at the Old Vic, will regularly exchange productions if either theatre is dark.

A more revolutionary development announced by the Young Vic is its receipt of £91,261 from the Manpower Services Commission to set up a Theatre-in-Education and Community Team for the year from April.

Wigmore Hall

Marisa Robles

by DAVID MURRAY

Miss Robles gave a spirited running commentary on her programme Saturday evening. Only a harpist as good as that could afford her candour about the slightness of the harp repertoire: having all but dismissed it, she then performs it bewitchingly. Perhaps the lovely sound of the instrument has made composers think it otiose to devise ambitious music for it. Though a solo harp programme tends to resemble a guitar programme in principle — a few sterling pieces written for the instrument or for some near relative, a lot of transcriptions and the odd ear-tickling study —its inbuilt limits are severe: the pedal-system which frees both hands for plucking also makes only seven different notes (and their octaves) available at any given moment. Before the pedals were invented, the harp wasn't chromatic enough to prompt interesting music; with them, its bias towards diatonic chords with added notes seems to plant it unbudgeably within the Impressionist genre — but neither Debussy nor Ravel wrote a solo piece for it.

Miss Robles makes much of what there is. She has an exact and lively sense of rhythm, uncommon among harpists, and the silvery evenness of her touch in a Handel Passacaglia and a set of variations doubtfully by Mozart was impeccable.

Harp transcriptions from the keyboard often sound loose and languid, but not in her hands. In some old Spanish music she allowed herself an engaging variety of colour, sensitively chosen and controlled, and she extended the spectrum brilliantly in more recent pieces. Etudes by Hasselmans and Marcel Tournier were dazzlingly executed. A new Fantasie by Manuel Buendia on themes from a large concerted work for Miss Robles did not whet one's appetite for its source; sheer virtuosity inspired better things from the doyen of harpists, Carlos Salzedo—the familiar "Song in the Night" and a witty, ingenious study in pedalglissandi, "La Desirade."

Fauré's Impromptu, Op. 86, holds a place in the harp repertoire analogous to Chopin's Barcarolle in piano music. It was the centrepiece of Miss Robles' recital, and despite some passing inaccuracies she gave an immensely strong and stylish account of it. She allowed its long lines to breathe, but preserved its inner momentum; no whimsy, no wilting. The decorative reticence of Fauré's musical manner made him just the right composer to write seriously for the harp—I wished Miss Robles had treated us to his "Châtelaine en sa Tour" as well. A delightful evening, in any case.

St. John's, Smith Square

West Square Ensemble

by DOMINIC GILL

The West Square Electronic Music Ensemble is "a flexible unit of composers, performers and engineers formed five years ago to promote concerts in the instrumental/electronic field." They are a valuable and enterprising group: and their associated Electronic Music Workshop, founded three years before the Ensemble by the New Zealander Barry Anderson, is probably the most lively, and certainly one of the best-equipped, electronic music studios in the country available to the public.

It is the Ensemble's aim to present at least one major concert in London each year — an event; sometime quite understandably in the nature more of a demonstration than a concert, a display of current preoccupations and the latest work in progress. There is always a danger that such a display may seem a little monotonous, even faintly recherché, to the concert-goer coming in directly from the cold. In this respect, the WSQ Ensemble's programme on Friday night was not wisely planned: a long evening of six pieces, all of them for solo instrument electronically treated, half of them for solo double-bass, and four of them for soloist with tape-delay system. After the first example of each kind, the excitement of hearing West Square's newly developed multi-channel tape-delay system and new ring-modular with precise frequency control rather quickly dimmed.

It was difficult to decide what purpose the flashing blue and red lights served during the performance of Stockhausen's *Solo* (here imaginatively played in an elaborate, multi-channel tape-delay version for oboe by Edwin Roxburgh)—were they signals for the performer and his assistants, or a tricksy light-show? I found them, at any rate, very distracting. Roger Marsh's *Time Before* for solo double-bass was a nice exercise in using "the smallest amount of musical material and the minimum of theatrical gesture" to build a piece. If Marsh had added a further parameter of "minimum duration," perhaps the result could also have been tauter and neater: such lengthy working (17 minutes) of a simple sequence of mixed-tone notes, *molto vibrato* pizzicati and taped interludes of breathing greatly diluted its promised impact.

Barry Anderson's *Proscenium* for solo percussion, modulation, tape-delay and four-track pre-recorded tape seemed to have been made on the principle that if you mix together enough techniques and enough ingredients, something is bound to come out. A great deal did come out, much of it quite good fun, and some of it rather attractive —but all the same, as a structured piece of music, it lacked tough ligament, real spine. The bass-player, Barry Guy, also gave us *Theraps* by Xenakis (whose name was spelled incorrectly throughout the programme)—brief and pungent, coiled with much intertwining glissandi, its climax a fine swirl of frenzy. In Edwin Roxburgh's *At the Still Point of a Turning World* for modulated and tape-delayed oboe (and more flashing lights) the clicking of oboe-keys as it passed round and round the multi-channel system was rather nice, like the clacking of a thousand grandmothers' false teeth. The rest sounded not exactly spineless—but the spine was nonetheless (as the antiquarian bookdealers say) slightly foxed.

Elizabeth Hall

Paco Peña by NICHOLAS KENYON

Paco Peña is to flamenco what Richard Stilgoe is to satire: too nice by half. Peña's guitar playing is full of vivid life, by turns yearning, caressing, flamboyant, derisive, exultant; but it fails to dig deep, to alert us to those elemental instincts and pressures by which some flamenco singers and dancers seem possessed.

The solo flamenco guitarist has a problem, certainly. For the guitar entered flamenco at a relatively late stage, as Peña freely admits; the art is essentially vocal, and the guitar's rôle even in the great days of the Cafés Cantantes (in the latter half of the 19th-century, when flamenco stopped being the preserve of the gypsies and became a virtuoso art) was purely accompanimental.

Peña's defence is that "it is the guitar as a solo instrument rather than the singing which has made flamenco popular"—but, he might have added, in a somewhat diluted form, for though "the guitar derives all its inspiration from the *Cante Jondo*, flamenco singing," it can only reproduce vocal inflections very approximately.

Still, such matters are scarcely likely to have worried the large audience which crowded the Elizabeth Hall on Sunday for a concert which was being recorded by Decca. After an unfortunate broken string at the start of the evening, Peña settled down: impressive and exciting in the more extrovert items, especially a majestic *tientos*, subtly restrained, and a vivid example of *fandangos*. But the desperate heart-searchings of the *siguriya* were remote and detached. Peña is in the business of entertainment and he entertains; but he leaves his audiences a long way from the roots of flamenco.

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When the sums don't add up

THE PRIME MINISTER has on every conceivable occasion told us to keep our cool. He and his colleagues have bemoaned the selfishness of groups of workers which fail to take the wider interests of the community into account. There have been generalised warnings that big pay increases will lead to higher unemployment. But what has been signally lacking is any attempt to quantify the damage which is now being done to the economy or to spell out in any sort of detail what measures the Government might have to take if the pay round continues out of control.

Price controls

Just about the one firm measure which the Government has announced so far is the proposed tightening up of price controls, which is about as useful as shutting down the safety valve when the pressure in the boiler rises beyond the danger mark. The reason for Ministers' failure to go beyond this is presumably that the figures don't add up, certainly not before an election. It was the Governor of the Bank of England who made this clear yesterday. After pointing out that the structure of pay bargaining in the country was in need of substantial reform, he finished his speech by reminding his audience that the responsibility for the currency was "squarely within my bailiwick."

He reminded us of the contribution which control of the money supply had made to sterling's stability and went on: "This, together with appropriate fiscal restraint, has not lost but gained in importance in the present climate. Despite the addition to inflationary pressure that is now in prospect, there must be no loss of resolve in adhering to these now, when they are most needed."

Leaving the impact on unemployment aside, it does not take a genius to envisage what would happen to financial markets if the Government were to adhere to the present 8 to 12 per cent target in the growth of the money supply with a Public Sector Borrowing Requirement which on present plans looks like being at least £9bn and a rate of wage inflation of, say, 12 to 14 per cent. As far as the PSBR is concerned, that already unpleasing picture presupposes that the estimated shortfall in spending of some £2bn this year is repeated next year — unlikely if inflation should accelerate quite apart from the fact that as departments get used to operating cash limits they will become more successful in spending right up to those limits.

Not only the finances of the public sector will come under increasing pressure. The private sector's demand for credit must have been rising during the industrial disruption which we have already seen and will go on rising the longer disruption continues.

By and large most parts of industry have shown considerable ingenuity in keeping production going. But production which piles up in stores, warehouses and any available open spaces causes a serious strain on cash flow and in most cases the shortage of cash can only be met by bank borrowing. It is difficult for an outsider to even guess at the extra demand for credit which is involved but the chances are that it is not inconsiderable.

Fiscal policy

As Ministers learnt after a long apprenticeship for which the country as a whole had to foot the bill — financial stability is the prerequisite of sustained and sustainable growth even at the very modest rates which we now seem to accept as given for this country. The Governor underlined that in the current climate policies directed towards the maintenance of that stability are more crucial than ever. But as he also said, fiscal policy has its key part to play. Monetary policy alone cannot do it. And what one would like to hear from the Government is just what the fiscal consequences of what we are now witnessing are going to be. If the figures as presented at present do not add up, it might well help to concentrate minds if we were given a set which does.

Carter tries fine tuning

THE President's Budget Message to the U.S. Congress was received in the markets yesterday in total calm—a calm which has been carefully contrived in recent weeks by a comprehensive series of leaks of the measures. This open Budget-making was intended both to test market opinion and prepare public opinion for what was to come, and as a technique of Government it has worked very well.

Disappointment

In a much more important sense, however, the budget is a disappointment. This was originally intended not a sa sedative for the currency markets, but as a turning point. Not for the first time, the Administration has failed to impress. On the contrary, the distrust of the dollar itself has now spread to other currencies. These are seen as either overvalued as a result of recent upheavals, or threatened by the excessive monetary expansion which has resulted from dollar support operations, or both. Speculative interest has returned, forbiddingly, to the commodity markets.

The trouble is not so much that the budget is not sufficiently austere as in the economic reasoning which supports it. On the face of it a deficit of just under $30bn is not very impressive; but it marks a reduction of about a quarter in real terms, and is a considerable achievement, with unchanged taxes, in a year when defence spending is rising by 3 per cent in real terms.

There is for the first time under a Democratic President no increase at all in welfare spending, despite a rising case load. There is a range of real cuts in research and development programmes, employment support, and various subsidies. Despite some questionable items of a kind familiar from British budgets—for example, a substantial sale of mortgage assets, which counts as negative lending rather than funding—the cuts are on the whole honest.

However, the economic message is dispiritingly familiar to an English reader. In the manner of the preacher who enjoined his congregation to tread the narrow path between good and evil, President Carter urges that his budget is sufficiently austere to check inflation, yet sufficiently inflationary to avoid recession. This claim is neither credible nor helpful.

Almost every development in the U.S. economy — in growth, employment, the balance of payments, the level of investment, and the rate of inflation—has come as a growing surprise to "scientific" forecasters in recent years; and official forecasts have on the whole been even more inaccurate than the private ones which have so disappointed their subscribers. To claim in these circumstances to know the result of a small—less than one-half of 1 per cent in GD—and partly financial adjustment in Federal borrowing strains credulity.

Monetary events

Even if the domestic economy were susceptible to such fine tuning, a fiscal proposal of this kind is less than half a policy against inflation. Most of the ills which the Administration is trying to fight are partly or entirely caused by monetary events; and since the autumn dollar crisis, this is more than ever true.

The November dollar-rescue package aroused temporary hopes that there had indeed been a radical change in U.S. monetary thinking. However, some recent easing in rates, and some recent official statements, have damped this hope. Proposals to regulate the Euromarkets or widen the use of SDRs show a continuing preoccupation with symptoms rather than causes.

The tragedy is that, as we know from our own past experience, an appropriate fiscal stance backed by an appropriate monetary policy not only works, but can work dramatically. If action is strong enough to reverse capital flows, then interest rates quickly reverse, the exchange rate hardens, inflation is checked, and confidence revives; and a cure for the dollar would greatly help other countries. We are still, unhappily, waiting.

THE BEARINGS INDUSTRY

SKF's bid to get profits rolling again

By HAZEL DUFFY, Industrial Correspondent

THE decision taken by SKF to cease producing bearings at its plant in Irvine, Scotland, is the latest and most dramatic in a series of moves designed to bring its British operation into profit.

In the past few years, Swedish-owned SKF has shed 1,500 employees in the UK to leave it with a workforce of 3,500. The rationalisation programme involved the closure of its factory at Luton, and the transfer of production to nearby Sundon, while the workforce was also slimmed down at Irvine. But the latest move—involving the loss of 600 out of a total 800 jobs left at Irvine—is destined to involve enforced redundancies for the first time in SKF's UK history.

It is an indication of the state of the bearings market in the UK, and of SKF's position in that market in particular, that the group is prepared to make a move which could damage its image in the eyes of its British employees.

Since the start of the recession following the 1973 oil crisis, the UK bearings market has fallen progressively in value terms. In 1978, manufacturers estimate that it fell by between 3 and 5 per cent.

Vulnerable target

The reason for the decline is a combination of factors. The first is that industrial production has been pretty well stagnant. Since bearings are an essential component in so many areas of manufacture, it follows that demand must reflect the state of industry generally. Secondly, in the automotive and domestic appliance industries in particular—both very important customers of the bearings industry—Britain has become an increasingly vulnerable target for imports. In time, this will have a growing effect on the replacement market, which, although much smaller than that for original equipment manufacturers, is also more profitable.

The third factor has been penetration of the bearings market by Japanese imports, added to in the past couple of years by the setting up in this country of a production unit by the Japanese-owned NSK.

The second factor apart, the market for bearings in the rest of Europe has suffered from the same external factors as the UK, while the American market—although more buoyant from the point of view of the level of industrial activity—has similarly been subjected to Japan's successful emergence as one of the world's leading producers of bearings. In short, the bearings industry over the past decade has become one of the most glaring examples of over-capacity, creating fierce competition, low margins (and very often losses), and an uncertain future for some of its participants.

Much of the industry's frustration has been focused on the Japanese: in the end the European manufacturers decided to take concerted action, and a charge that the Japanese were dumping was taken to the European Commission. The Commission levied a 15 per cent provisional anti-dumping fee on the Japanese, but before its investigation was completed, the Japanese said they would put their prices up by 20 per cent. That was 18 months ago, and the consensus of opinion in the industry is that they have largely complied with that. But, say the manufacturers, the Japanese have certainly not adjusted their prices to reflect the appreciation of the yen.

In the meantime, the Japanese have decided to appeal against the provisional charge, claiming that they were not dumping and asking for repayment of the levy. The case has now gone to the EEC Court in Luxembourg, where oral evidence was taken earlier this month. A decision is expected around April.

Interesting though the verdict will be, the feeling among European manufacturers is that the Japanese threat at least has stopped growing. A prime reason undoubtedly is the hammering that the Japanese industry has taken over the past couple of years.

For example, NTN, one of the four big Japanese bearings companies, lost Y30m in the first half of last year. In the previous full year, it lost Y364m, and most of the improvement at the interim was accounted for by sales of land and buildings. Koyo meanwhile has recently disclosed a loss of Y5.34bn, declaring exports to be down by 28 per cent and warning that the dividend might be passed up. In November, the group announced a complete reorganisation of its marketing operation.

The earlier success of the Japanese was based on manufacturing being concentrated on high-volume bearings. Very efficient manufacturing operations, backed by cartels which allocate production between the companies and organise exporting, have forced the American and European manufacturers into intensive marketing efforts that were not necessary before the Japanese came on to the scene. But it follows that mass production will prove to be an early victim of a downturn in markets, and this the Japanese have experienced both in their home and export markets. Added to this has been the problem of being competitive with an appreciating currency.

If the threat from Japan has lessened, however, it has come too late to prevent damage to the European industry. In the UK, for example, the Japanese hold only 6-8 per cent of the overall market, but their share of the large metric ball bearings market is calculated to be more than half.

High-volume business

The Japanese onslaught has had its effect on all producers, although it has been less pronounced on a company like Timken, which is the world's biggest manufacturer of tapered roller bearings. Timken, whose European operations are located in Britain and France, recently announced a satisfactory profit.

Generally, those companies in the high-volume business, which means SKF in Europe in particular, have suffered most from the combination of depressed markets and Japanese (and to a lesser extent, east European) competition. SKF makes a huge range of bearings — it offers 20,000 variants, a range which has been cut down from 50,000 over the past few years. But it is the high-volume business which is its bread and butter. Margins are low currently, or non-existent, but this production carries a large part of the overheads of a multi-national organisation.

SKF is the world's largest bearings company. In Europe, it is market leader in Germany, Italy, Scandinavia, and perhaps also in Spain and Benelux. It has manufacturing facilities for bearings in Sweden, Germany, France, Italy and the UK, plus a 25 per cent holding in Spain, as well as plants in the U.S. and the Third World (it is particularly strong in South America).

Five years ago, the decision was taken to rationalise European production on the basis of allocating certain types of bearings to particular plants. Known by the unwieldy name of Global Forecasting and Supply System (GFSS), itis based on computerised forecasting of sales located from offices in Brussels. The system has taken four years to introduce, and before setting out, discussions were held with governments and unions in the producer countries to guarantee that there would be no profit or volume transfer between plants.

GFSS, says SKF, would have already proved itself a winner if its introduction had not coincided with three years of recession. Outside the group, there is some suspicion that an operation centralised in Brussels (itself a reflection of the fact that Gothenburg, SKF's group headquarters, is not the most convenient location from which to run a worthwhile operation) is too remote from markets and that pricing has not always been sensitive enough.

In spite of the years of recession, however, SKF can claim that productivity has been rising by about 2 per cent annually in recent years. The UK is an exception and productivity, particularly at Irvine, is considered to be unacceptably low. Market share in the UK has fallen below 20 per cent (roughly the share SKF aims for in most markets, although in the U.S. it has only around 10 per cent). By ceasing bearings production at Irvine, SKF intends to concentrate all UK production at Sundon, and to return to profitability in a couple of years.

SKF's problems in Britain are due partly to the fact that in Ransome Hoffmann Pollard (RHP), the only UK-owned bearing manufacturer, it is up against a strong indigenous producer. It faces a similar situations in France (where its subsidiary also made losses in 1977-78) and where the strongest competitor is SNR, a subsidiary of the Renault group. Of SKF's five European manufacturing centres, only two, in Germany and Italy, were profitable last year, although the Swedish losses were mainly due to the group's steel-making activities rather than bearings.

RHP went through much the same rationalisation process that SKF is now undergoing in the UK, but at an earlier date. Significantly, SKF in 1969 was interested in purchasing Ransome and Marles, one of the companies that went into RHP and believes that its experience in the UK would have been different had it been successful.

RHP is somewhat less exposed to the high-volume market than SKF. RHP's recently-announced profits nevertheless reflected the state of the markets. In 1977-78, its bearings division made £2.0m compared with £3.4m the previous year. As the leading supplier to the British market, the group managed to maintain its market share in the face of intense competition—but margins suffered appreciably.

RHP, along with other firms in the UK, believes that it must now concentrate on obtaining higher prices. This probably reflects the fact that Japan is seen to be a slightly lessened problem, and a slightly more optimistic note for the current year was expressed recently by RHP's chairman, Mr. John Eccles.

Britain has the smallest production of SKF's five European centres. Sweden ranks fourth in the league, but there is no doubt that big wage increases in Sweden have been taking their toll in SKF's base country, while substantial investment in highly automated new plant in Gothenburg has been unable to yield the planned returns because demand has been too low.

Britain is not the only country where jobs have been lost. Some 14,000 jobs have disappeared in SKF over the past five years. In a recent interview, Mr. Mauritz Sahlin, SKF deputy managing director, claimed "efficiency is now at an acceptable level in most countries."

Mr. Sahlin says SKF started 1979 "under far more favourable conditions than it entered 1978." In Europe, the two countries expected to make the best returns are again Germany, which through historical accident is by far the biggest of the European subsidiaries, and Italy (where SKF's share is well above average for the group). SKF has other interests in steel (responsible for a good proportion of the Swedish subsidiary's recent losses) and cutting tools, particularly in the UK where it bought Sheffield Twist and Drill.

Necessary balance

SKF is not alone in diversifying. In 1977/78 RHP made almost as much profit on a much smaller turnover from electrical components as bearings. Diversification is seen as a necessary balance in the light of continued uncertainties in bearings where too many producers chase too few customers.

Efficient production methods and aggressive marketing are essential requirements for survival as manufacturers wait for more pronounced increases in customer demand than has been seen for the past four years. In the meantime, SKF's action at Irvine is perhaps the final determined attempt to put its UK plant on a footing where it can hold its own along with other parts of the international group.

SKF CONSOLIDATED STATEMENT OF INCOME

	1978 (Jan. 1-Sept. 30) (Kr.m)	1977	1976
Net sales	6,932	8,004	6,981
Operating income after depreciation	344	430	457
Income before exchange rate differences	98	156	256

SKF annual reports

U.K. BEARINGS MARKET

	UK market* (£m)	UK market 1970 prices (£m)	Change on preceding year (%)
1969	75	81	
1970	88	88	+ 9
1971	92	86	− 2
1972	91	81	− 6
1973	108	92	+14
/4	140	102	+11
1975	169	98	− 4
1976	190	95	− 3
1977	218	94	− 1
1978 (est.)	230	91	− 3

* UK production less exports plus imports raised by 35 per cent to give estimated retail prices. Imports are not adjusted for stock changes.

U.K. IMPORTS OF BEARINGS FROM JAPAN

	Imports CIF (£m)	Sales value* (£m)	Market share (%)
1969	1.6	1.9	2.9
1970	2.1	3.1	3.5
1971	3.8	5.7	6.2
1972	3.9	5.8	6.4
1973	4.1	6.2	5.8
1974	6.8	9.2	6.6
1975	9.3	12.6	7.6
1976	9.4	12.8	6.7
1977	11.7	15.8	7.2
1978 (est.)	10.4	14.1	6.1

* Includes sales of bearing housings.

Source: British Roller Bearings Manufacturers Association

MEN AND MATTERS

On the map—and off again

The political see-sawing in Rhodesia is causing dizziness and confusion—not least among publishers. A confidential memorandum sent out last month to all schools by the Chief Education Officer in Salisbury has led to the withdrawal of textbooks daring to mention the name "Zimbabwe." Foremost among the culprits is "An Atlas for Zimbabwe." Previously it was entitled "An Atlast for Rhodesia." and was used in every school; keep to be up with events, publishers Collins-Longman did a complete revamp that would have satisfied the most ardent black nationalist. "We were expecting independence at the end of last year." I was told b ythe educational division of Collins in Glasgow.

The atlas was printed by the effectively independent subsidiary in Rhodesia (or whatever one chooses to call it). But the order from chief education officer K. B. W. Napier says that headmasters must not buy books speaking of Zimbabwe, and should take away from pupils any that do. Another casualty is a standard geography book published by Edward Arnold and recently up-dated.

The edict will scarcely commend itself to Bishop Abel Muzorewa and other black ministers in the transitional government. To add to the publishers' specialised headaches, the ocuntry is due to be called Zimbabwe Rhodesia after the proposed elections in April.

"Yes, he did give me a tip—he said 'Don't panic'!"

New signal

ASLEF has liquidated Sir Kenneth Cork's plans for a little jaunt to Liverpool Street Station on Thursday. The Lord Mayor was to name a locomotive the "Great Eastern," and just to confirm that the event still had a green signal I telephoned British Rail yesterday afternoon. "Oh, yes," I was assured. "Sir Kenneth will be on the platform."

An hour later a crestfallen spokesman telephoned back: "Sorry, the Lord Mayor will not be there after all." The drivers had just announced another Thursday special.

Paws for thought

Ever conscious of its duty to the readers, a magazine called Big Farm Weekly has evolved a new way to rid the EEC of its milk mountain: we should all keep more cats. An average tabby laps up an estimated 46 litres of milk a year, assuming it has set before it good saucerful every morning. Indeed, the Ministry of Agriculture says that 6 per cent of all milk produced in Britain is consumed by domestic cats.

Purring with pleasure at its own arithmetic, Big Farm Weekly proclaims that a mere 20.1m extra cats in Europe would dispose of the entire EEC surplus production of 9bn litres a year. Expressed the other way around, 22.4 cats are needed for every thousand litres of annual surplus milk.

Only one doubt struck me on reading this breath-taking stuff: could fresh milke be distributed to all those miaowing pets, and if not, will they deign to take reconstituted supplies from the powder mountain? A London organisation, the Feline Advisory Bureau, was reassuring: "Cats are not keen, but they will get used to it if you offer them nothing else."

Knockout sponsor

What, one might ask, have filing cabinets to do with boxing? The question is prompted by the rather odd news that Twinlock UK, hitherto associated with pencils rather than the martial arts, is sponsoring this year's Amateur Boxing Association finals to the tune of about £8,000.

Managing director Brian Holland is unabashed by sarcastic suggestions that the championships will somehow promote a boom in carban paper. Perhaps, he implies, they will.

"We sponsored Chelsea footblall club. But support for that was . . . too localised," he says. "Motorbike sports—too specialised. The boxing will be televised by the BBC all week.

"Amateur boxing has no overtones of professionalism or drugs. A lot of middle and senior management did boxing at school and take a great interest. The finals are going to be sen by 17m people—there must be a lot of people with the power to buy in that lot."

Strike claims

Making political capital while the trains strike, the Bow Group is calling for an Equal Opportunities Commission investigation "of the utmost vigour" into some curious allegations made in a television programme filmed at the Cadbury factory gate at Bournville last week. It was, inter alia, alleged that when the women had struck they received no support from the Transport and General lorry drivers. And one picket suggested the women were only in it for "pin money" anyway.

All in all, says the strident Joseph Egerton, secretary of the group, "a good indication of the total disregard for women's rights displayed by the TGWU."

"There are problems with both employers and trade unions when it comes to women," said a spokesman for the Commission—evidently well-used to the lingering effects of the sex war, as it used to be called: "In fact we are at the moment looking at discrimination in a particular trade union with a view to announcing a formal investigation."

It is not, apparently, the TGWU, which has rather a good name in the Commission for twice successfully championing women members in the Appeal Court, something only undertaken by one other union, ASTMS, which failed. And one of the commissioners is a certain Marie Patterson, women's officer of the T and G.

Happy returns

To boost sales, the Argentine lotteries board announced recently that tickets would no longer be given to agents on a sale-or-return basis. Any the agents railed to dispose of they would have to buy themselves.

The sellers howled in protest, and none louder than Edward Bustos, 31, of Buenos Aires. Now he has just won the Argentine equivalent of $1m—with one of the tickets he could not hand back.

Observer

Mideast peace: a treaty on quicksands

BY ROGER MATTHEWS, Cairo Correspondent

IF A peace treaty between Egypt and Israel is signed within the coming weeks it is now fair to assume that it will owe more to the personal political imperatives of two Presidents than to any new depth of commitment or understanding on a durable solution to the Middle East conflict.

If the treaty is not signed, and some increasingly serious doubts are beginning to be expressed, it will almost certainly be because President Carter and President Anwar Sadat have at least temporarily given up hope of coming to an accommodation with the Israeli government of *Mr. Menahem Begin.* They might conclude it would be more dangerous to proceed with an agreement that contained the potential seeds of its own *destruction* rather than to claim the possibly transient political glory of the first-ever settlement between Israel and one of its Arab neighbours.

Sincerity

The choice for both men is hazardous and every effort will be undertaken to avoid having to make it. President Sadat, even in the darkest days since his visit to Jerusalem 14 months ago, has never publicly lost his characteristically Egyptian optimism and only the most cynical retain doubts about the sincerity of his intentions. For President Carter, the September summit meeting at Camp David with Mr. Sadat and Mr. Begin did more for his public opinion poll ratings than any other single event since he came to the White House. He is naturally concerned not to let that supposed triumph slip through his fingers.

Yet both men must be acutely aware that the pace of events in the wider Middle East region is bringing other vital, if unpredictable, pressures to bear, and that at least half the assumptions of the Camp David agreements are lying in tatters.

Camp David produced two documents of which the first—a Framework for Peace in the Middle East—was considered by Mr. Carter and Mr. Sadat to be the basis on which the second document, the outline peace treaty between Egypt and Israel, would be built. As President Sadat had said when he addressed the Israeli Knesset *10 months previously:* "I wish in all sincerity to warn you. . . . First, I have not come here to you to seek a partial peace." Later, he added: "I tell you there can be no peace without the Palestinians. It is a grave error of unpredictable consequences to overlook or brush aside this cause."

From the outset, Egypt and the U.S. intended that the Camp David "framework" document should ensure progress on both those issues in tandem with the bi-lateral peace treaty—the technical jargon being "parellelism" or "linkage." Israel, however, has insisted that the two documents should be treated separately and has made little effort to disguise its intention of securing a deal with Egypt without any other meaningful strings attached, or at worst such strings as would not affect its own definition of its "national security." To this end, the Israeli government has offered Mr. Sadat almost every inducement that Egypt, as an individual nation divorced from broader Arab commitments, could require—essentially the return of all Egyptian territory occupied during the 1967 war.

Additionally, and under strong U.S. pressure, Mr. Begin agreed to expand somewhat the limited self-rule plan he had advanced *earlier for the occupied West* Bank of the Jordan and the previously Egyptian-administered Gaza Strip. The latest scheme would provide for elections in *the occupied territories leading* to the creation of a Palestinian authority that would exercise powers still to be negotiated.

Israel has agreed that it will pull *back its military forces* into certain defined locations, will disband its military government, and will negotiate on the final status of the West Bank and Gaza, to be decided by the end of a five-year transitional period. The future of east Jerusalem, which Israel annexed after occupying it in 1967, was left for another day because the two sides differed so radically.

American officials believed that given some goodwill and Israeli moderation there was a good chance that Jordan (which is repeatedly mentioned in the Camp David accords), together with the Palestinians living under occupation, could be persuaded to participate. Syria, it was recognised, would probably not find the formula immediately tempting but with the U.S. suggesting privately that what Egypt had achieved on the Sinai, Syria could later repeat on the Golan Heights, there was optimism that Damascus might eventually come to recognise the force of the process.

Opposition

Hope of tempting the moderate *pro-Western* King Hussein into negotiations has now almost totally evaporated. Worse still, from the American view, is the astonishing speed with which Syria and Iraq have moved towards a reconciliation that could even lead to full union. This, in turn, will ensure Jordan's absence *from* the negotiations and must cause Saudi Arabia further anxieties *on top of those already aroused* by the continuing crisis in Iran. The 21-nation Arab summit meeting held in Baghdad had already confirmed the breadth *of opposition* to the Camp David documents as a sound basis for securing a just and comprehensive peace. In Baghdad the most radical and rejectionist states, which had all along opposed President Sadat's unilateral peace efforts, scored a victory that would have been unthinkable before Camp David and which only slowly came to be understood in the rest of the world.

Faced with such widespread hostility, the U.S. State Department and Egyptian officials have turned more emphatically *towards the Palestinians living* on the West Bank and Gaza, convinced that they had to be offered more positive incentives in order to give the autonomy *plan any chance of success.*

Egypt is proposing, and Israel is still refusing, the setting of a date for elections on the West Bank and Gaza and for the establishment of a Palestinian council in order to provide the vital "linkage" with the peace treaty. Egypt also says that it will not exchange ambassadors until that has happened.

However, it is now not so much of a question of "linkage" but of linkage to what. The mayors and other *leading* Palestinians in the West Bank and Gaza are generally so hostile to the Camp David agreements and the subsequent interpretations *put on them by Israel that even* the most moderate would be reluctant to take part in the elections. Some people might be found who would stand for *election—perhaps a few of the* mayors would go along in order to preserve the financially influential positions they hold—but the chances of an elected authority having the backing of the majority of the public appears remote.

And the basic reason for this attitude which comes through time and again in conversation is that Mr. Begin has far more credibility in the West Bank, Gaza and most of the Arab world than either Mr. Sadat or Mr. Carter. When the Israeli Prime Minister says he will never permit a Palestinian state or entity to be formed, he is believed. When he says that Israel has a right to establish Jewish settlements in the occupied territories it is believed that he will continue to exercise that "right."

It is still something *of a jolt* for the non-participant to hear a senior Israeli official close to Mr. Begin explain that Israel is making a great sacrifice by not *extending its sovereignty over* Judea and Samaria (the biblical term for the West Bank) to which it has "an exclusive right," but for those living in *closer proximity* to the problem it evokes no surprise. The same official insists that Israel will never agree to remove its settlements in the West Bank or Gaza, and it does not even need to be said that the twin rings of housing and apartment blocks that are being completed on the strategically important hills around Jerusalem are also a statement of military intent.

As the Camp David possibilities in the West Bank have *seemed to recede, so Mr. Sadat* has urged that the Gaza Strip should show the way and that the autonomy plan should first be put into operation there. "There are no basic differences between us and the West Bank," says the mayor of Gaza, Mr. Rashad al-Shawa. "We generally agree on our attitude to Camp David and about five weeks ago I wrote to President Sadat pleading with him not to sign the treaty with Israel. Initially, after Camp David was signed, I was hopeful. But then Mr. Begin began to sabotage things. If there had been assurances that the Israeli settlements would go, and that we would have control over our own land, people would have reacted more positively."

Less moderate

The mayor added: "Mr. Begin, with his interpretations and his actions, leaves no room for anything. In other parts of the world autonomy might lead to self-determination, but not here. It would merely be a different name for Israeli occupation and by our participation we would be legalising it." Others, younger than the mayor and less moderate, are content to wait knowing from their history books that "empires" are built and crumble. Nowhere more so than in the Middle East, and that time and Arab numbers are on their side. "This was an Arab-Israeli dispute but soon it will become Moslem against Jew," said one of them.

And so the Camp David circle would seem to be complete, with Mr. Begin now claiming that it is absurd of the Americans and Mr. Sadat to demand a date for elections on the West *Bank and Gaza when there is* no-one with whom to negotiate the powers that the Palestinian authority should exercise. Talks on defining the status of *the Palestinian body are due to* begin a month after the Egyptian-Israeli peace treaty is signed and would, according to Camp David, include Israelis, *Egyptians, Jordanians and rep*resentatives of the Palestinian people. It is generally agreed that should those negotiations ever start, they would be at least as difficult as those which have so far prevented a peace treaty between Egypt and Israel being signed.

Against this difficult background Mr. Alfred Atherton, the special U.S. envoy to the Middle East, has in the past few days been seeking to find a basis for renewing the negotiations that had failed to produce agreement on a peace treaty by the December 17 target date set at Camp David. Although usually described as "technical," at least one of the issues being discussed by Mr. Atherton goes right to the heart of Egypt's dilemma: its relations to the rest of the Arab world.

Egypt is demanding a change to Article Six of the draft treaty, or at least an accompanying side letter which would make clear that its obligations to Israel did not take precedence over its defence commitments to other Arab countries. Israel's negotiators say any such interpretation would make nonsense of the whole treaty as it would allow Egypt to renege on the agreement the moment Israel responded to "Arab aggression." Mr. Meir Rosenne, Israel's legal expert who has attended every negotiating session with Egypt since the end of the 1973 war, says that no Israeli Cabinet would ever agree to a change in Article Six or to an accompanying interpretative letter. In Egypt, senior officials emphasise that the treaty cannot be signed *without a change.* It is an indication of the verbal gymnastics involved that Mr. Atherton, accompanied by the State Department's legal adviser, *Herbert Hansell, appears now* to be attempting something which has defeated many diplomats over the years—a definition of the word "aggression."

But Article Six and the "linkage" issue are only the outward signs of a deeper malady that President Sadat thought he had cured with his trip to Jerusalem. He never tired of saying that 70 per cent of the Arab-Israeli dispute was psychological. By making the very Arab gesture of going to his enemy's house he believed that Arab and Jew would quickly find common purpose in establishing a just peace. This same appeal to the heart, to agree on an end to killing, was what President Carter appears to have used to greatest effect at the eleventh hour during the Camp David talks. And it is important to remember that only at Camp David, when the three leaders were together, has any substantive progress been made.

Satisfaction

Hence Mr. Carter's latest offer to hold another summit conference if that proves to be the only way out of the present crisis. However, he faces a rather changed situation, not least in his relations with the Israeli Government. The crisis in Iran has robbed Israel of a sympathiser but has also weakened U.S. status in the region. It is not necessary to scratch much below the surface in Israel to find some perverse satisfaction at President Carter's difficulties, a feeling that stems from what is seen as the Administration's very pro-Egyptian stance. Nor do you have to listen hard to come across the argument that Iran, and perhaps the threat to Saudi Arabia, proves again that Israel is the only sure and stable ally that the U.S. has in the Middle East *to help protect American* interests.

Letters to the Editor

Engineers and design

From Mr. I. Baillie

Sir,—There seems to be a tendency when promoting the interests of engineers, to denigrate other professions in terms of capacity for successful management.

The question is not whether more engineers should be managers but whether more successful managers should have had some engineering training. Being a good engineer does not *necessarily make a good manager* and, as many companies have found to their cost, good design is not the only factor in creating a healthy and successful company.

As a scientist with a slight training in chemical engineering, who later turned to law and particularly patent law, I can assure Mrs. Woolard (January 17) that it can be very difficult to train a bright engineering student the elements of legal thinking including patent practice. It can equally be difficult to teach him some of the more important aspects of accounting which involve value judgments. If it is common knowlege that engineers form 90 per cent of top management in the United States, it is equally common knowledge that the propor*tion of lawyers in top manage*ment in the United States vastly exceeds that in Great Britain. Are possibly legal skills more relevant to management problems than engineering *skills?*

A reading of financial and business reports from the United States indicates that the success of U.S. management lies as much in marketing and sales skills and in skilful use of finance measures as in application of engineering. Looking at a list of 100 top executives of U.S. corporations, 20 came out of marketing and sales, 17 out of finance, eight out of legal, 25 out of "administration" and 30 out of a combination of technical, production and operating.

It would seem, therefore, that simple infusion of more engineers into British manage*ment is not necessarily the way* to success, although the more technical background for British managers is certainly desirable.

Perhaps, indeed, it would be more desirable to have a greater number of lawyers among top managers in the UK!

Iain C. Baillie,
20, Chester Street, SW1.

Nuclear power

*From the Director,
Central Planning Unit,
National Coal Board*

Sir,—The article by John Lloyd on January 12 misrepresented our views on the future of nuclear power to an extent that Mr. Avery of British Nuclear Fuels January 17 believes that the National Coal Board has proposed "the abandonment of the present modest plans for the future expansion of the nuclear industry."

This is not the board's position. Our view, which we have stated on many occasions, remains that the coal and nuclear industries can be developed in an entirely complementary way. Although we are concerned that there should be sufficient modern coal-fired power station capacity available to burn the coal which we are planning to make available towards the end of the century, we believe that this can be fully compatible with a continuing nuclear programme. In striking the right balance of course we have realistically to take account of the inevitable con*straints, including the rate at* which nuclear power capacity can be introduced, bearing in mind the long lead-times involved—but this is very far from proposing the abandonment of the nuclear programme.

M. J. Parker,
National Coal Board,
*Hobart House,
Grosvenor Place, SW1*

Moving to Gatwick

*From the Chairman,
Archibald Kenrick and Sons.*

Sir,—Your paper of January 11 contains references about two different airlines, Air Canada and Iberia, and possible moves to Gatwick and the resultant furore.

Given that somebody has to move to Gatwick because Heathrow physically cannot handle more traffic, is not the fairest, and most practical solution to follow the principles operating in New York? That is that long-haul, overseas flights go to and *from* Heathrow, while all short-haul inter-Europe flights use Gatwick.

Yes, there would need to be much-improved communications *between the two airports* and also into Central London from Gatwick. Yes, it might mean increased overheads, and so on. But if we have no choice but to *make a change of some sort,* then let's stop messing about and look for the best solution, and *I suggest this might be it.*

M. J. Kenrick.
Archibald Kenrick and Sons.
*P.O. Box 9, West Bromwich,
West Midlands*

Widening cracks

From Mr. P. Daw

Sir,—Mr. Crayford enquires (Jan. 15) whether the action at the present time of the TGWU should not be referred to the Monopolies Commission. One might as well ask whether the union should not be reported to the European commission.

Article 85 of the Treaty of Rome by which we are bound, prohibits agreements and concerted practices which are likely to affect trade between member states—such as the strangulation of docks. Article 86 forbids any use of a dominant position in the Common Market in so far as it affect *trade between member states*—such as stopping companies from meeting their import/export obligations. Like some of the recent suggestions of the *leader of HM Opposition* (taxing short term strike benefits, subsidising secret union ballots); such ideas serve to thatch over rather than fill in the cracks *widening beneath our* feet.

Few can doubt that the trade union movement should never have been allowed to grow into the *industrial Dutch* elm disease it has become. It is not that the unions might take over the country. They cannot run themselves. It is that they have become an unmitigated *source* of misery.

The trade unions should be dissolved and their officials put out to grass. The vast assets they have accumulated should be redistributed among their members. Additional compensation might need to be paid. Having allowed the unions to make such a nuisance of themselves, we must face up to the cost of buying them out. This *could prove exhorbitant, but* will be as nothing compared to the cost of forever trying to buy them off.

Thereafter the right to strike *should be sensibly* regulated and limited to the private sector, providing an additional incentive to denationalisation and to drift from the monopolist sector. Picketing should be treated for what it is: an act likely to cause a breach of the peace and outlawed.

Thus we could show that, having given birth to the industrial revolution, we were also, belatedly, able to control it. Where is the politician not in *a state of such rabbit like tharn* vis à vis imagined electoral stoats as to be able to proclaim and pursue such *salvation?*

P. S. W. Daw,
*Froxfield House,
Froxfield, Eversholt,
Milton Keynes, Bucks.*

Stamp duty on house prices

*From Mr. A. Newton, MP
and Mr. J. MacGregor, MP*

Sir,—"Men and Matters" column (January 12) was entirely right to draw attention to the effect of house price inflation on the yield of stamp duty on house purchase. The £15,000 starting point for this tax is indeed absurdly low, so that it has become a real burden on many purchasers who cannot possibly be described as wealthy.

The column was however entirely wrong in suggesting that "Conservative politicians have kept silent" about this. We, for example, sought to amend the *1974 Finance Bill* to increase the present figure when it was first established, and have participated in other efforts to get it raised since then.

The most recent of these was on the 1978 Finance Bill. At the specific request of the Conservative front bench, the issue was in fact one of the very few chosen for discussion on the floor of the House, rather than in Standing Committee—a clear signal of the importance attached to it. An official Conservative proposal to raise the threshold from £15,000 to £20,000 was both debated and pressed to a vote, though unfortunately defeated by a Lib/Lab combination.

Incidentally, your columnist need not even refer to Hansard. He will find a report on page 10 of your paper's issue of May 17, 1978.

Tony Newton,
John MacGregor,
House of Commons, SW1

Insuring the contents

From Mr. R. Harrington

Sir,—Your article of January 12 on the new structure of premiums to be charged by Commercial Union on household contents policies shows just how expensive this sort of insurance *is becoming. Is it not time in*surers offered such policies with an excess of say £50 or £100 along the lines of motor insurance policies? Many claims are for relatively small amounts arising from accidents which are far from being the remote con*tingency against which one* normally wishes to insure but the all-too-predictable incidents of everyday life. We all have to make provision for fair wear and tear: many would be quite capable of coping with the odd small accident.

I would suggest to Commer*cial Union and other insurers* that a policy with an excess and a suitably reduced premium would be very popular. It would also save their claims departments a lot of effort over trifling sums.

Richard Harrington.
*27 Oxford Street,
Woodstock, Oxon.*

European patent applications

From Mr. B. Fisher

Sir,—Mr. Duncan (January 16) is right to draw attention to the need for copies of published European patent applications to be made available in the libraries of at least our major industrial cities.

European patents are granted by the European Patent Office in Munich and, where the UK is *designated, have, within the UK,* the same effect as UK national patents. It is important to remember that from the date of publication of the European patent application, certain monopoly rights commence, provided a European patent is subsequently granted (and this may take another two years or more) and provided the claims of that application are available in English. British industry should therefore have the widest possible access to published European patent applications, not only so that they may follow the latest technological developments, but also so that they may be put on notice of the creation of a monopoly which may in due course interfere with their own development and manufacture.

*As there is virtually no dif*reference between the legal effect of a European patent (UK) and a UK national patent, and such legal effect can date *from the date of publication of* the application, it does seem a little odd that one is to be widely available, and the other is to be available only at one point in Central London.

Bernard Fisher.
*36, Sydenham Road,
Croydon, Surrey.*

Useful decimal diameter

From Mr. C. Wilson

Sir,—Your correspondent's remarks on the usefulness of a *decimal penny piece* in weighing small amounts (January 19) prompts me to write to say that this coin is valuable in other directions. While we all *remember that with the old* Ordnance Maps of one inch to one mile (scale 1:63,360) an old half-penny piece had a diameter equivalent to one mile, it is useful that *upon the change of* scale to 1:50,000 the decimal penny piece has a diameter almost exactly equal to one kilometre.

C. F. Wilson,
Chamberlain and Willows,
*Church House,
Ironmonger Lane, EC2.*

Today's Events

GENERAL

UK:—The Prime Minister addresses TUC industrial *strategy conference on elec*tronics, Congress House, London.

One-day national rail strike.

Sir Henry Plumb, president of the National Farmers' Union, opens the *Union*'s annual conference, Central Hall, Westminster: Mr. Gordon Richardson, Governor of the Bank of England, is guest speaker at NFU dinner, *London Hilton.*

Dr. David Owen, Foreign Secretary, at International Anti-Apartheid meeting, Central Hall, Westminster.

The Henley Centre for Forecasting conference on investment markets—forecasts to 1984, at Carlton Tower Hotel, SW1.

Scotch Whisky Association statement on industrial trends.

Public inquiry opens in Liverpool on Merseyside County Council's application to increase *tolls in the two Mersey tunnels.*

Institute of London Underwriters' annual meeting, 40 Lime Street.

Sir Kenneth Cork, Lord Mayor *of London, attends presentation* of Mace to the Company of Chartered Accountants of England and Wales at Haberdashers' Hall, Staining Lane, EC2.

Amusement Trades Exhibition opens at Alexandra Palace, N22, (until January 25).

Paint Research Association two-day seminar on protection of structural steelwork opens at Elizabethan Hall, Shepperton.

Overseas:—President Carter delivers his third State *of the Union message to Congress.*

Prince of Wales visits new computer-controlled dairy of Toni-Malkerei in Zurich.

Mr. John Moore, president of *the U.S. Exim Bank, arrives in* New Delhi for two weeks of discussions in India and Sri Lanka on project financing.

King Hussein of Jordan visits *King Khalid of Saudi Arabia* in Jeddah for discussions on joint Arab questions.

First Coca-Cola shipment for China leaves Hong Kong by train for Canton.

Queen Juliana attends Dutch celebrations of 400 years of nationhood at Utrecht cathedral.

OFFICIAL STATISTICS

Department of Employment publishes January provisional figures for unemployment and unfilled vacancies. New vehicle *registrations for December from* Department of Transport.

PARLIAMENTARY BUSINESS

House of Commons: Resumed second reading debate on Industry Bill. Social Security Bill, remaining stages.

House of Lords: Consolidation Bills Committee. Debate on future of coal industry.

Select Committees: Nationalised Industries, Sub-committee A. Report and Accounts. Witness: British Transport Docks Board. 4 pm. Room 8.

COMPANY RESULTS

Final dividends: Ashdown Investment Trust. Vantage Securities. **Interim dividends:** Davy Corporation. G.T. Japan Investment Trust. Smith Brothers. David S. Smith (Holdings).

COMPANY MEETINGS ... ...

Elson and Robbins, The Post House, Bastocks Lane, Sandiacre, Nottingham. Laganvale Estates, 1a Queen's Gate SW, 11.

Alexanders Discount loss in year of rising MLR

AFTER providing for rebate and tax and making a transfer from contingency reserve, the balance for 1978 at Alexanders Discount Company, was £200,000 compared with £2.14m in 1977 which was after making a transfer to contingency reserve.

The directors point out that in a year in which MLR rose from 6½ per cent to 12½ per cent, conditions were difficult for the group and resulted in a trading loss.

Last year the board said the policy would be to try to maintain growth in the dividend distribution over the years notwithstanding the uneven nature of profits from one year to another.

Therefore a maximum permitted final dividend of 11.501p is being recommended making a total of 16.001p compared with 14.33p previously.

The final is being recommended even though this will necessitate drawing on both the published and inner resources. These resources remain at a high level, having been substantially strengthened as a result of the large profit earned in 1977.

The balance of profit carried forward will be £1.46m compared with £2.05m.

The balance sheet total at the year end was £480m (£509m) with the most significant change being in the holding of only £5m gilts (£40m).

Treasury bills totalled £114m (£172m) and commercial bills £236m (£203m).

The holding of sterling and dollar C.D.'s was £94m (£67m). More than two-thirds of the assets will have matured during January and only a small proportion mature after the end of February, the directors say.

See Lex

HIGHLIGHTS

The Governor of the Bank of England has sprung to the defence of monetary guidelines, but sentiment in the stock market yesterday was damaged by the Government's pay concessions. Meantime Alexanders Discount has made a trading loss for 1978. The clearing banks have announced changes in accounting practice for the forthcoming results season and government statistics indicate a recent upturn in companies' borrowing requirements. Finally Lex discusses Japan where changes to exchange controls will allow foreign investors to buy all but the shortest Yen bonds.

Plaxton's demand at high level

In the absence of major disturbances to production, the plentiful supply of work at Plaxton's (Scarborough) should allow the group to make further progress, Mr. F. W. Plaxton, the chairman says in his annual report.

Demand for the group's coachwork remains high and the order book ensures full employment during the current year—reasonable supplies of chassis are being received, the chairman says.

Now that the changeover to steel framed body construction is completed, management is investigating ways of speeding production and still further improving quality. These considerations will incur greater capital expenditure than usual during this and the following year.

For the 52 weeks ended October 1, 1978, pre-tax profits amounted to £2.42m compared with £1.64m in the previous 57 weeks. Turnover amounted to £19.99m against £17.37m.

On a current cost basis, pre-tax profit is reduced to £1.99m after adjustments for depreciation, £63,000, cost of sales, £374,000 and gearing of £13,000.

In addition to retained profits, reserves have also been increased by £1,660,000, being the transfer from deferred tax account, and by £1,470,000, being the excess of the professional existing use valuation of the majority of the group's land and buildings over their book values.

The group's cash resources increased by £1.91m to £3.02m during the year. It is the Board's opinion that funds are adequate to finance expansion plans and the major capital expenditure projects in course of formulation for the coach division's paint processes and factory layout in the next two to three years.

Strike taking toll on Avon

Lord Farnham, chairman of Avon Rubber Company, told members at the AGM that in the past two weeks the strike of road haulage drivers had seriously disrupted the flow of goods both into and out of the group's companies. However, throughout this difficult period production had been maintained at reasonable levels in each of the factories, thanks to efforts of all employees.

Recently, plans had been announced by a number of tyre manufacturing companies to reduce capacity by closing factories and making large numbers of employees redundant. While there was an obvious need to improve Avon's profitability and the efforts of all concerned were being directed to this end, tyres would remain an essential part of the group's product range, stated Lord Farnham.

Inevitably, financial results were being severely affected by the current spate of industrial unrest, and every week it continued the company was trading at a loss. Without knowledge of its duration and effects on customers, particularly those in export markets, the chairman said, it was impossible to quantify the extent of the damage that was being done and therefore the outcome of this year's trading.

Group companies manufacturing goods for other than the British automotive market were showing improving prospects with strong order books. The outlook for Avon Lippiatt Hobbs was very good and its impressive growth rate was being maintained. The benefits of the new factory capacity should be evident in the second half of the current year.

CROWN BREWERY

South Wales and Monmouthshire United Clubs Brewery Co. has changed its name to Crown Brewery Company.

Lowland Inv. £56,000 at three months

Net after-tax revenue of Lowland Investment Company was almost static at £56,055, against £55,845, in the three months to December 31, 1978.

But net assets per share are ahead from 65.9p to 70.2p. Stated earnings per 25p share are also up from 0.71p to 0.72p.

The revenue figure was struck after tax of £21120 (£27,822) and interest charges and expenses increased from £27,135 to £40,847.

Net after tax revenue for 1978 amounted to £207,000, against £159,000.

Stenhouse involved in £7.5m dispute

Stenhouse Holdings, the insurance broking group that is floating off its industrial activities—Caledonian Holdings—through a public offer, is involved in an insurance dispute which could lead to claims of $15m (£7.5m).

The details are revealed in part in the letter which has been sent to Stenhouse shareholders outlining the reasons for the disposal of the industrial activities.

The group explains that "a claim for an undetermined amount of damages has been made against one of the non-resident subsidiaries of Stenhouse Holdings by a client alleging negligence."

Stenhouse adds: "While it is not possible at this time to estimate the likely liability, if any, of the subsidiary in respect of the claim the amount of damages, if any, should not exceed $15m."

The group is confident that any liability that arises will be covered by the subsidiary's errors and ommissions insurance.

Stenhouse would not indicate yesterday which subsidiary was involved, although it is understood to be a North American-based company.

UK Provident new savings contract

A new flexible savings contract designed to meet the needs of the modern investor has been launched by United Kingdom Provident, a leading mutual life company. Called the Moneymax Plan, its basic form is a 10-year with-profits endowment contract, yielding on current bonus rates an attractive 11 per cent net of all taxes after 10 years. The company is a leader in the with-profits field.

But at the end of 10 years the investor has a number of options available to him. He can cash it in, or he can leave it to accumulate additional growth bonuses to be cashed as and when required. Since the contract is written as a series of mini policies, these may be cashed in successive years to provide an income that is tax free.

There is also an option to cash-in the plan after 10 years and replace it with a new Moneymax Plan or a normal 10 year with profit endowment without medical examination. At the end of the fifth year, there is normally an option to increase the benefits.

The company has designed this plan after making considerable market research into the demands of modern investors. There has been a marked trend for shorter-term contracts, high returns, and plans which are both tax efficient and provide flexibility in the benefit structure. The minimum premium is £30 per month or £360 yearly and the plan is issued in units of £10 monthly (£120 yearly).

MILBURY

The rights issue of Milbury, the Manchester based house-building subsidiary of Saint Piran, has been taken up as to 97.82 per cent. The issue of one for seven at 55p produced £374,000 towards the acquisition of Rydeacres Developments.

Overseas revamp allows Wrighton to move ahead

Freddie Mansfield

Mr. Keith Wrigton, chairman of F. Wrighton and Son, with some of the company's kitchen furniture at the Walthamstow factory.

IMPROVEMENT OVERSEAS has enabled F. Wrighton and Sons (Associated Companies) to break out of the recent downward trend in first half profits. Earnings for the half year to the end of September jumped from a depressed £22,411 to £188,119 on sales £0.22m up at £4.12m.

The detrimental effects of the current economic climate must be set against the improved performance of the group so far the directors comment. Providing there is no severe deterioration in the position, they cautiously assume the fulltime results will be satisfactory.

Over the past four years profits of the fitted kitchens manufacturer have been sharply down on the peak £0.7m achieved in 1973-1974. In August last year the directors were confident that with the continuous review of operations the company was in a position to hold its own in difficult trading conditions, to fight for a greater share of the market despite intense competition and to take full advantage of the market upturn when it occurs.

The first half increase is a result mainly of changes implemented in the company's French subsidiary, Wrighton International Furniture. The reorganisation of the French company has cut administration costs and with improved marketing the Board has eliminated what was previously a drain on group resources.

There has also been reorganisation in the UK where steps have been taken to strengthen the company's marketing and selling side.

UK sales to date show a small rise and together with a "vigorous control" of costs, performance has improved, the directors now report. These moves have avoided reductions in the labour force thereby retaining the production capacity necessary to meet the increased volume of business planned for the new year.

After tax of £114,000 (£35,053) for the half year there was a recovery from a £12,642 net loss to a £74,119 surplus and earnings per 10p share came out at 1.59p (loss 0.33p).

It was in 1975-76 that the group, having been active in Continental Europe for several years, decided it was necessary to change its marketing policy there and began to concentrate on the field of retail distribution.

Operations were extended in France including the establishment of a fully equipped 450 square metre showroom, then believed to be the largest of its kind in the country. At that time the directors warned that development costs could continue to be expensive but break even was hoped for towards the end of the following financial year.

In the event losses in France were substantial in 1976-77 and this led to further policy changes and the setting up of showrooms in the major French cities in collaboration with distributors.

● comment

Wrighton's pre-tax profits are more than eight times better, but the small increase in sales reflects static volume. This is surprising during a period when the pattern of consumer spending reversed its previous dull trend and demand for home improvement work provided enough compensation for the still unexciting private house-building sector. The company argues that its high quality range of kitchen, bathroom and bedroom furniture has been hit by German competition, and it points out that others at this end of the market are finding the going even tougher. Meanwhile, loss elimination at the French marketing operation has speeded up the group's recovery which began in last year's second half. Wrighton has already been forced to severely trim its Gallic sales but there is some hard work ahead before the company achieves a decent return. Future plans include further additions to the bathroom and bedroom range but as yet there is little sign of any significant upturn in the group's main markets. The dividend has not been increased for the past two years but assuming a 10 per cent increase this time the shares at 30p yield a prospective 6 per cent.

LBI moves ahead to £44.2m at year end

Lloyds Bank International, a wholly-owned subsidiary of Lloyds Bank, reports pre-tax profits for the year ended September 30, 1978, rose from £43.4m to £44.2m.

Net profits improved from £18.5m to £19.7m. The pre-tax figure is struck after deducting exchange losses of £7.9m (£7.1m) on working capital denominated in foreign currencies.

The profit for 1978 has been affected by the weakness of the U.S. dollar and other related Latin American currencies, and is stated after charging for the first time, depreciation on freehold and long leasehold properties of £1.2m.

The £23.7m charge for tax reflects exchange losses in overseas subsidiaries which, while charged against profits before taxation, do not qualify for tax relief in the UK or elsewhere.

The share of the profit attributable to the European division rose to 22 per cent in 1978, largely as a result of exchange movements on the bank's investment in Switzerland. North America and Far East divisions contributed 14 per cent and 6 per cent respectively, each substantially greater than in 1977.

The Middle East division maintained its profits at about the previous year's level whereas profit in the UK and Latin America divisions came under some pressure and accounted for 18 per cent and 37 per cent respectively. The latter division was also unfavourably affected by exchange movements.

Lorry strike warning from United Wire

Sales and profit have been running at about the same level as last year, but clearly the company cannot expect to estcape the disruptive effect of the lorry drivers' strike, the chairman of United Wire Group told the annual meeting.

Exports from all three divisions are at present blocked. If the strike should continue for a significant time, the company's profits must be adversely affected because about 40 per cent of output is destined for overseas.

In addition, UK customers are beginning to cancel or defer current orders. But the company's own production is unlikely to be affected since it has adequate stocks of all principal raw materials, he added.

Imry heading for record

WITH LOSSES in Belgium eliminated the directors of Imry Property Holdings now forecast a record taxable profit of some £650,000 for the current year. This follows a jump in the surplus from £178,000 to £261,000 in the half year to September 30, 1978.

Growth in the first half of 1977-78 had been held back by £64,000 terminal losses in Belgium but, by the year end, profit had recovered to £447,000 from near breakeven in the previous 12 months.

The net interim dividend is stepped up to 1.2p (0.8p)—last year the company returned to dividends after two years absence with a total payment of 2.20127p.

Half-year profit included share of associate's surplus up from £15,000 to £18,000. After tax of £154,000 (£129,000) the net balance emerged higher at £107,000 compared with £49,000. Outgoings on properties in course of development amounted to £5,000 (£17,000).

Provident Financial

Provident Financial Group, the Bradford-based consumer credit concern, has reported that its annual accounts will be delayed as a result of industrial action by workers at two of its branch companies.

The group said that sanctions being operated by members of the Association of Scientific, Technical and Managerial Staffs had now ceased. The workers had been n dispute over a pay claim.

Provident said that its AGM would now be held on June 5 as a result of the delay in preparing its accounts.

SECURITIES TRUST OF SCOTLAND

Securities Trust of Scotland has arranged a two year loan at 4¾ per cent fixed, of Y600m (approx. £1.5m), together with an advised line of credit for an additional Y400m (approx. £1m).

These funds will be used to increase the company's commitment in Japan.

NEW LIFE BUSINESS

Provident Mutual Life premium income up 48%

NEW ANNUAL premium income up by 48 per cent last year is reported by the Provident Mutual Life Assurance Association, amounting to £19.5m against £13.2m in 1977. There were strong developments in most sectors of the market with individual life business 53 per cent higher at £4.46m, self-employed pensions more than doubled at £1m, and executive pensions also 53 per cent up at £4.2m. The company pension market was particularly strong with the introduction of the new State pension scheme with new annual premiums 41 per cent higher at £9.8m.

However, single premium business last year declined markedly from £12.4m to £8.2m. Interest in guaranteed income bonds declined, despite the continued high rates of interest offered; from £3.3m to £2m. There were fewer transfer values from pension schemes: group pensions business amounted to only £2.6m against £5.15m in 1977.

New sums assured last year climbed 38 per cent from £438m to £606m and new annuities per annum rose from £25m to £31m.

The company's subsidiary, Provident Mutual Managed Pensions Fund, also had a successful year in 1978 with new annual premiums of £1.9m against only £300,000 in 1977 and single premiums of £4.4m against £1.2m in the previous year. As a result, the total value of funds under management rose during the year by 121 per cent from £5.3m to £11.7m. Although most of this growth came from insured schemes transferring from the parent company, there was a growing interest from outside pension schemes.

Net new annual premiums up by 40 per cent in 1978 from £4.8m to £6.7m is reported by Crusader Insurance Company, a member of the Bowring Group. There was a 55 per cent rise in individual with-profit contracts, much of this growth coming from low-cost endowments used in connection with house purchase. Sales of the company's flexible endowment Omnia were slightly lower than in 1977. Sales of self-employed pension contracts were dull, the company has just relaunched a new style scheme in this field, but executive pension schemes remained buoyant.

Single premium business was also good in 1978 rising from £6.4m to £7.4m. Company pensions business was strong. Overall, net new sums assured climbed 36 per cent from £494m to £672m and new annuities from £6.74m to £13.74m.

Gresham Life Assurance Society, a member of the Rothschild Group, reports new life and pensions annual premium up by 26 per cent last year to £2.9m. Ordinary life business increased by 17 per cent to £2.5m, with sales of mortgage repayment contracts strong as a result of the buoyant house purchase market. The company continued to do well in sales of term assurance contracts, it being a leader in the life protection market. The company's pension business rose by 70 per cent to £0.5m—the company concentrates on small schemes and executive arrangements.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Alexanders Discount ...	11.5	March 6	9.83	16	14.33
Greenfriar Investment .	1.65	March 16	1.45	1.65	1.45
Imry Property ......int.	1.2	March 2	0.8	—	2.2
Leda Inv. Tst. 2nd int.	2.01	Feb. 28	1.78	3.15	2.77

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

MINING NEWS

The Australian-registered drillship "Regional Endeavour" which is being purchased by the Selection Trust group's Western Selcast for A$18.36m (£10.45m) of which A$12m will be financed by loans. The ship can drill to depths of 20,000 feet and is expected, after the first operating year, to provide "attractive" returns on the investment provided that drilling contracts continue to be available at reasonable levels.

Mary Kathleen doing better

BY KENNETH MARSTON, MINING EDITOR

BETTER tidings come from what is still Australia's only producing uranium mine, the struggling Mary Kathleen Uranium in Queensland which is 51 per cent owned by Conzinc Riotinto of Australia and 41.6 per cent by the Australian Government. The mine has made a 1978 net profit of A$707,000 (£402,000) compared with a loss in 1977 of A$10.9m.

The latest figure is struck before interest on borrowings of A$440,000 (A$1m in 1977) and depreciation of A$4.66m (A$4.07m). It is pointed out that the loan finance of A$20m advanced to the company at end-1977 by its two major shareholders was interest-free in 1978 but will be subject to payment of interest at commercial rates this year.

Even so, the picture is brightening from the production side. Output of uranium oxide increased from 269.8 tonnes in the first half of last year to 338.2 tonnes in the second half when 199.4 tonnes were produced in the final quarter. Partly because of technical problems the 1977 output totalled only 420 tonnes.

Matters have also been helped by the agreement reached with the Japanese power utility customers on new delivery schedules which are more appropriate to the MKU's future levels of production. The new schedules do not affect the total tonnages involved.

It is also announced that in the proceedings brought by Westinghouse Electric in the U.S. alleging breaches of the U.S. Sherman Antitrust and Wilson Tariff Acts, the U.S. Court has granted a default judgment on issues of liability for an amount to be later determined by the Court against CRA, MKU and seven other non-U.S. defendants on the basis of non-appearance in the proceedings.

A similar announcement was made earlier this month by the parent company, Rio Tinto-Zinc, which stated that, with the other RTZ group companies, it denied liability and did not accept the jurisdiction of the Court. CRA and MKU add that they have been advised that the judgment should not be enforceable in Australia.

MMC in tin venture with Johore State

An agreement has been signed between the Malaysian Mining Corporation (MMC) and the Johore State Economic Development Corporation (SEDC) to form a joint venture company that would have extensive mining rights in the state.

SEDC will hold 51 per cent of the new company, to be called Syarika Lombong Sebina Johore, while MMC will hold 49 per cent, reports Wong Sulong from Kuala Lumpur.

Under the agreement the new company would be given prospecting and mining rights for minerals (except oil and gas) in Johore, as well as offshore areas.

The company has carried out boring over 500 acres in the Sungai Pelawan area in the Kota Tinggi district, and results have indicated the presence of tin deposits capable of being exploited on a large scale.

Mr. Rahim Aki, chief executive of MMC, said more prospecting had to be done, but he was confident that commercial mining could be undertaken on at least 3,000 acres in the area.

Currently, there is little tin mining activity in Johore State, although surveys by the Mining Department have indicated fairly large deposits in several districts.

Mr. Rahim described the agreement with Johore SEDC as a very neat contract where the joint venture company has exclusive mining rights in the state.

In other states, like Selangor and Perak, MMC has to negotiate individual deals with the respective SEDC on each mining venture, and the arms of each deal vary according to various factors.

MMC is the world's biggest tin mining conglomerate and is 79 per cent owned by the Malaysian Government-sponsored Pernas organisation and 29 per cent by London's Charter Consolidated.

MINING BRIEFS

KINTA KELLAS TIN DREDGING—Output for December 60.59 tonnes (November 34.47 tonnes).

MOUNT ISA MINES—Production for the period December 18-January 14: Lead ore treated 190,735 tonnes, produced 11,300 tonnes crude lead and 17,004 tonnes zinc concentrates. Copper ore treated 324,091 tonnes produced 11,270 tonnes blister copper.

AMAL. TIN NIGERIA—Output of concentrates for December. Tin, 218 tonnes; columbite, 23 tonnes. November, 132 and 18 tonnes respectively.

CONZINC RIOTINTO MALAYSIA—Sri Timah production for December 92.44 tonnes (November 118.75 tonnes).

Asamera's uranium drilling

FURTHER drilling progress has been made by Asamera Oil at the intriguing Keefe Lake-Henday Lake joint venture uranium project in Northern Saskatchewan. John Soganich reports from Toronto that immediate plans call for the delineation with three drilling rigs of the previously announced discoveries while a fourth rig will be assigned to regional investigation of anomalies examined by the ongoing electromagnetic geophysical programme.

In the Dawn Lake area (previously referred to as the Hole No. 14 discovery area) 15 holes have now been completed with radioactive-mineralisation being encountered in 12. Drilling has defined a well mineralised zone over an east-west width of approximately 180 ft. Results of logging the main mineralised zone, which was encountered at a depth of 308 ft, indicates thicknesses of up to 72 ft with the average calculated thickness of the mineralisation being 47 ft.

Downhole conditions at Dawn Lake are extremely poor with core losses in the mineralised zone of up to 80 per cent in some of the holes. Sampling in the zone has, therefore, been erratic, as have the assays. These have ranged up to 100 lb uranium oxide per ton.

In the "Hole No. 11 area" announced previously as a uranium discovery, 46 holes have been drilled onthe anomaly with various degrees of radioactive mineralisation being encountered in 27 of these holes. One drill has commenced work south of the known mineralised zone whre detailed ground geophysics indicated the Hole No. 11 area anomally continues at least 650 ft south.

The mineralised zone remains open to the north where drilling is planned pending additional geophysical examination of the indicated anomally. Assay results received, while varying significantly, have ranged from 2.6 lb per ton over a seven-foot interval to 70 lb per ton over a 41-foot interval. One hole contained a section of 11 fet which gave more than 340 lb per ton.

Asamera has a 25 per cent interest in the overall area which covers 931,534 acres. Other participants include Saskatchewan Mining Development Corporation (50 per cent), Kelvin Energy (6.5 per cent) and Reserve Oil and Minerals 7.5 per cent.

AM&S PRODUCED LESS IN 1978

Lead, zinc and silver production was lower last year at the Rio Tinto-Zinc group's Australian Mining and Smelting mines at Broken Hill in New South Wales. Overall ore grades were lower while operations were affected by strikes and, in the final quarter, by the closure of the New Broken Hill Consolidated mine's haulage shaft for nine days while repairs were carried out.

	1978	1977
Ore treated (tonnes)	1,941,390	2,081,030
Assaying:		
Lead (per cent)	7.8	[illegible]
Silver (grams/tonne)	63.0	68.0
Zinc (per cent)	10.3	10.9
Production:		
Lead concentrate (tonnes)	187,295	213,911
Containing:		
Gross lead (tonnes)	140,629	160,220
Silver (kg)	104,349	121,863
Zinc concentrate (tonnes)	351,183	394,403
Containing:		
Zinc (tonnes)	181,515	205,867

RIGHTS ISSUE BY ENDEAVOUR

A non-renounceable rights issue of 32.47m shares of 20 cents is to be made by Australia's Endeavour Resources. Holders will be offered the shares at 21 cents (11.9p) on a three-for-five basis. The issue will raise about A$6.49m (£3.7m) and is being underwritten by Jackson, Graham, Moor and Partners of Sydney.

Bond Corporation Holdings, which has a 25 per cent stake in Endeavour, intends to take up its entitlement to the issue. Part of the funds will be used to meet the first two instalments of the purchase of Endeavour's 30 per cent share of Cooper Basis interests formerly held by the Burmah Oil group. Endeavour were 18p in London yesterday.

ROUND-UP

America's Freeport Minerals company has made a shipment of about 95,000 lbs of the initial output of uranium oxide (yellowcake) produced by its subsidiary, Freeport Uranium Recovery. The shipments are being made under long-term contracts with a foreign and a domestic utility which cover the full output of the plant. The current spot market price for yellowcake is about $43.25 per pound. Freeport's $36m (£18m) project is expected to produce about 613,500 lbs of yellowcake this year.

* * *

In Johannesburg yesterday a spokesman for the Consolidated Gold Fields group's big gold and uranium producing West Driefontein declined to comment on reports that a major expansion scheme on the scale of a new mine is planned. Prospecting has been undertaken in the area just north of the West Driefontein and East Driefontein mines, but the spokesman could not give any indication as to when this might be completed.

* * *

Poseidon intends as soon as possible to acquire mineral prospects with the object of enlisting financial participation from farm-in companies. At the Australian company's first annual meeting since it came out of receivership the chairman added that Poseidon still holds six exploration leases in Western Australia which it has either farmed out, or is negotiating to do so.

BIDS AND DEALS

Dufay asking S E for enquiry into share price

DUFAY BITUMASTIC has taken the unusual step of asking for a Stock Exchange investigation into recent dealings in its shares.

Dufay, the surface coatings manufacturer—from paints to plastics and powder coatings—is concerned about its share price rise last week on the back of bid speculation.

Mr. Cecil Attwood, the group's chairman and chief executive confirmed yesterday that there had been a recent merger approach to Dufay but exploratory talks with the company concerned had terminated in the last few days.

He said that in the light of recent speculation in the group's shares Dufay had decided to ask for a Stock Exchange enquiry although it had no evidence of any improper dealings.

Dufay's share price had risen from 42p at the beginning of last week to 46p yesterday when the group asked for its shares to be suspended. On resumption of dealings, and news that the merger talks had failed, the shares fell back to 39p.

Mr. Attwood said that last week's share price rise appeared to have been prompted by press speculation about a bid being mounted for Dufay.

He said that the share had continued to rise even though merger talks had been terminated and this had prompted yesterday's temporary suspension of dealings.

"We feel it is right to seek an investigation in these circumstances and to ascertain whether forces other than newspaper speculation have been behind the share price rise."

SLOUGH ESTATES

Slough Estates announces that its commercial development and investment subsidiary Gauntlet Development has recently agreed the letting of 27,300 square feet of office space in the Fountain Precinct in Sheffield, to Union Carbide UK.

A further 8,600 square feet of office space in the building has been let to Commercial Union Assurance, for the relocated Sheffield branch office.

These two lettings mean that over 35 per cent of the office space in the 127,000 square feet office and showroom development will be in occupation by the middle of this year. The level of current enquiries is indicative of the increasing demand for high-quality office space in Sheffield.

The rentals obtained were well up to expectations.

SCOTTISH METROPOLITAN

Last year Scottish Metropolitan Property acquired the former Spillers-French bakery buildings in Dumfries, on behalf of Scottish and Universal Newspapers. At the same time it also bought four acres of land lying to the south west and has obtained planning permission for the development of a small industrial estate, the first of its kind in the district.

There will be approximately 60,000 sq ft of warehouse and light industrial buildings contained within 12 units which, it is intended, should be built in three phases commencing later this year.

The company is advised that there is strong interest in the units to be built in the first phase of 20,000 sq ft and it is anticipated tenants will be signed up ahead of the start of construction within the course of the next few months.

On completion of the estate, the amount of capital invested there by Scottish Metropolitan will be in excess of £1m.

DIXOR SELLS MORTLAKE FACTORY

Dixor has sold its freehold premises at Mortlake for £85,000 cash. The company has been operating out of a small modern factory at Epsom for the past four years so the sale of the property, which was unoccupied and earning no income, will save the company rates and reduce its interest charges. The freehold was valued in Dixor's last balance sheet at £65,000.

In July 1978 Dixor bought a long lease on a much larger factory at Thornton Heath, Croydon, for £265,000. The move to the new factory should be completed by March and it is estimated that capacity can be trebled as a result of the increased productive area and larger and more modern plant being installed.

Dixor is a leading UK manufacturer and packer of decorative cosmetics and skin and hair care products. Last year a consortium of investors, which included two existing directors, bought 57.5 per cent of the equity from Thomas Borthwick and Sons.

GOOD START FOR ALLIED PLANT

The level of activity in Allied Plant Group's businesses, described last October as "gathering momentum," shows no indication of abating in the year just started, says Mr. Michael Heathcote, the chairman. In a circular on the acquisition of Edmond (Builders) and its subsidiary Kingston Plumbers, he adds that, with this new addition, the trading position of APG as a whole should be substantially enhanced.

The circular shows that the inclusion of Edmond's and Kingston Plumbers increases net current assets to £905,000, against £376,000. However, these figures are based on APG's accounts dated December 31, 1977, and Edmond's of March 31, 1978, and take no account of the profit earned since those dates.

Shareholders will be asked to approve the acquisition and a doubling of capital to £2m at a meeting in Hull on February 12.

SWISS BUYER FOR J. & S. SIEGER

Zellweger Uster AG, Swiss apparatus manufacturer, has acquired J. and S. Sieger, of Poole. Sieger, which has a work force of 300, specialises in the production of apparatus for the measuring and analysis of explosive and toxic gases. Annual sales are around £13m.

Zellweger, whose 1978 turnover is expected to be rather below that of the SwFrs 185m recorded for 1977, forms part of the Hesta Group, of Zug. The takeover of the British company will lead to a strengthening of its polymetron division.

SHARE STAKES

Racal Electronics—Mr. E. T. Harrison, chairman, has sold 40,000 shares.

John Mowlem and Company—Mr. James McBurney, director, beneficially holds 496,137 shares (3.1 per cent).

Westminster Prop. merger plan

LETTERS OF intent have been exchanged in a deal which will lead to control of Westminster Property Group going to a company which is at present owner of Eaglemoor. WPG is buying Eaglemoor for £1.8m by issuing 9m of its shares at par.

The deal, which is still subject to contract, will leave the vendors with about 51 per cent of Westminster but, providing the majority of shareholders agree, they will not be obliged to make a full takeover offer.

The contract requires that the vendors warrant that on completion Eaglemoor will have a net asset value of £1.8m comprising property valued at not less than £1.6m and cash of not less than £200,000.

Neither WPG nor any of its directors has any connection with the proposed controlling company. Westminster's Board will be reconstituted so that nominees of the vendors of Eaglemoor will have majority representation.

It has also been agreed that at the same time that Westminster, through an issue of its shares, buy out the outstanding loan, which it has guaranteed, and half the accrued interest, in all totalling some £0.3m, made by Sir Alfred McAlpine and Son to WPG's Portuguese subsidiary, Cerro Grande Investimentos Turisticos e Imobiliaros. The balance of the accrued interest will remain as an interest free debt due from Cerro Grande to McAlpine.

As a result of this move McAlpine will be left holding some 17 per cent of WPG's enlarged capital.

The transactions, which will mean that WPG's issued capital is raised from 7m shares have yet to be approved by its shareholders and the obtaining of all necessary exchange control clearance.

SIME DARBY

Sime Darby, the international conglomerate which has mounted a £122m bid for Guthrie Corporation, the plantation group, will not increase its offer "in present circumstances."

The group released a carefully worded statement yesterday after speculation in the Far East that the offer could be a final one. Press reports in the Far East of remarks made by Sime's chief executive Mr. James Scott indicated that Sime's offer was final.

This prompted Guthrie's financial advisers—Baring Brothers—to bring the matter to the attention of the takeover panel.

Under the takeover code if the bidding company makes a statement to the effect that an offer will not be improved the bidder will be bound by that statement.

The Takeover Panel took a lenient view and accepted that Sime had been misreported. The company's formal form of words incorporating the key phrase "in present circumstances" the panel feels is acceptable.

MOSS REJECTS

Moss Engineering Group has urged its shareholders to reject the £3.5m bid for the company by GEI International, the engineering group.

Moss argues that the GEI terms do not reflect the true value of Moss.

GEI is planning to offer nine ordinary shares of 20p of its own equity for every 10 ordinary shares of 25p in Moss.

Meanwhile Moss directors are drawing up their detailed objections to the GEI bid and are for the time being urging shareholders to do nothing.

STRATEGIC STAKE BOUGHT IN FIVE OAKS INVESTMENT

Mr. John Peutherer, property dealer, has acquired a strategic 26 per cent stake in Five Oaks Investments, the property developers, and may be poised to make a full bid.

Mr. Peutherer who among other interests owns Cornwall Estates said that he acquired his stake in Five Oaks within the past fortnight. "It was bought as a good investment but I certainly do not rule out the possibility of a full bid."

WESTINGHOUSE

Westinghouse Brake and Signal—the UK railway equipment concern—says that the proposed £40.5m takeover of its business by Hawker Siddeley would provide the group with better opportunities for expansion.

In a document sent to Westinghouse shareholders yesterday, Mr. L. E. Thompson, the group's chairman, says that Hawker's strength would assist group investment—particularly in the development of Westinghouse's new Z1AW brake valve which has just been approved for use on U.S. railways.

He said that while Westinghouse would continue to have a future as an independent concern the directors had recognised that the group might have difficulty in maintaining its "leading position" without placing a strain on its resources. Hawker was a most suitable company with which to merge.

The document shows that the group's 50 per cent interest in Bendix Westinghouse generated attributable profits of £1.16m out of total attributable profits of £4.43m in the year to September 30, 1978.

If Hawker's bid succeeds then Bendix will have the right to buy out Westinghouse's stake in the joint concern.

SEDGWICK FORBES

Dealings in shares of Sedgwick Forbes, the insurance broker which is merging with Bland Payne, were recommenced yesterday. The shares, suspended at 410p last November, came back to the market at 405p. They sank to 395p before closing at 398p.

ASSOCIATES DEALS

N. M. Rothschild and Sons an associate of Rank Organisation, purchased 28,500 Rank ordinary shares on behalf of a discretionary client of N. M. Rothschild Asset Management on January 19 at 273½p.

EIH calls for share suspension

LESS THAN a week after the annual meeting at which the entire Board was changed, the new directors of Edinburgh Industrial Holdings have called for a suspension of the group's shares.

The new chairman, Mr. Norman Castle, former chairman of S and W Berisford, said that a circular would be sent to shareholders as soon as possible.

The Board is conducting a financial review of the company but in the meantime says it believes EIH's three industrial subsidiaries are profitable and can be developed.

The new Board, which includes Mr. J. Bekhor, a partner in the stockbrokering firm of A. J. Bekhor which has been broker to EIH for the past two years, swept into power at last Thursday's annual meeting in a surprise move.

The group of five men guaranteed to inject a minimum of £100,000 into EIH and in view of this the two existing managing directors, Mr. C. de Naray and Mr. C. Aleman, sold their shares to the group. This gave them control over 29.9 per cent of the equity. Mr. Godfrey Bilton, then chairman, did not offer himself for re-appointment to the Board but has retained his holdings of 5.8 per cent of the company.

Since then the share price has moved up from 8p to 11p just before suspension.

New chief for Saint Piran

Mr. Henry Hodding has taken over as chairman of the controversial mining and construction group Saint Piran. He has taken over from Mr. Bob Shaw, who is now a non-executive director of the group. Mr. Hodding's appointment follows a year of Boardroom upheavals at Saint Piran.

Mr. Hodding became a director of Saint Piran in 1974, and his present interests are involved in controlling the mining group activities.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Davy Corporation, G.T. Japan Investment Trst, Smith Brothers, David S. Smith.

Finals:—Ashdown Investment Trust, Vantage Securities.

FUTURE DATES

Interims:—	
Gaunt (Rowland)	Jan. 29
Gold Fields of South Africa	Jan. 26
Hallite	Jan. 26
Hardy (Furnishers)	Feb. 2
Newmark (Louis)	Feb. 1
Warren Plantations	Jan. 30
Finals:—	
Edinbrgh American Assets Tst.	Jan. 24
Glanfield Lawrence	Jan. 26
Glasgow Stockholders	Feb. 9
Howard Machinery	Feb. 15
Manchester Ship Canal	Feb. 12
Prestige Group	Jan. 31
Status Discount	Jan. 24
Thermal Syndicate	Feb 13

Improvement for Reckitt Australia

Profits before tax of Reckitt and Colman Australia, 69.73 per cent owned by the UK group, rose 20.7 per cent from A$18.61m to A$22.47m for the October 31, 1978 year, on sales up 10.1 per cent to A$151.28m.

After tax, minorities and extraordinary items, net profits were 17.7 per cent higher at A$12.95m.

The current year has opened satisfactorily although the general tone of economic activity remains subdued, he adds.

ASSOC. BISCUIT

Associated Biscuit Manufacturers announces that acceptances have been received for 15,548,809 ordinary shares of 20p each representing some 94.21 per cent of the 16,503,746 ordinary shares of ABM offered by way of rights to ordinary holders.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Sharp rise in profit at Bank of America

SAN FRANCISCO — BANKAMERICA CORPORATION said that the improvement in the net interest margin was the most significant factor in its 1978 profit growth.

The company reported that 1978 earnings before securities transactions rose 30.2 per cent to $514m from $395m a year earlier.

The strong performance of net interest revenue reflected a combination of rising market rates, growth in real estate and consumer lending, and the positive foreign currency translation effect caused by the dollar's decline overseas.

Average domestic real estate loans outstanding increased by 26 per cent while consumer loans grew by 29 per cent.

Average foreign loans were up 15 per cent in 1978, but a large portion of the gain resulted from foreign currency translation.

Non-performing loans in 1978 declined to $341m from $438m in the prior year.

These loans reduced pre-tax earnings by $33m in 1978 compared with $32m in 1977.

On a per share basis, the reduction amounted to 12 cents for 1978 and 11 cents in 1977.

Reuter

Loews' seeks Bulova control

By David Lascelles in New York

DIRECTORS OF Bulova Watch yesterday were considering a takeover offer from Loews' Corporation which would value the company at about $38m.

Loews' already owns 37 per cent of Bulova, most of it acquired only a week ago from Stelux, the Hong Kong-based watchmaker. Its new offer is for the remaining 2.4m shares at $10 per share. Trading in Bulova shares was suspended on the New York Stock Exchange yesterday, having closed on Friday at $8, down a quarter.

Loews' offer comes at a time when Bulova, which claims to be one of the oldest and the last remaining maker of quality timepieces in the U.S. is undergoing a big shake-up.

After several years of losses in the early 1970s, Bulova announced last August it was transferring most of its manufacturing to Switzerland.

However, the company's fortunes have improved recently.

Grace in legal fight to stop Daylin bid for Narco

BY JOHN WYLES IN NEW YORK

W. R. GRACE has gone on to the offensive in its bid to acquire the West Coast retailing company, Daylin Incorporated, through a court suit aimed at stopping Daylin's $68.4m tender offer for Narco Scientific Incorporated.

Daylin has been denying that its offer to Narco is designed to fend off Grace, but the suspicion has been prompted by the fact that Daylin's proposal is more than 35 per cent above the $20 a share bid from the Rorer Group, which Narco directors had been recommending shareholders to accept.

Grace, 29 per cent owned by West Germany's Friedrich Flick group, charges in the suit filed in a Los Angeles district court that the approach to Narco was aimed at obstructing and frustrating Grace's $129m offer to Daylin and amounted to "waste and mismanagement." The suit goes on to accuse Daylin of violating Federal securities laws and of breaching its fiduciary responsibilities to shareholders. Grace asks the court to enjoin Daylin's officers and directors from going ahead with the bid.

On the legal front, this battle is now taking a fairly conventional course. Daylin has already filed suit against Grace alleging breaches of Federal securities laws and Grace has responded. But the prospect of a lengthy and expensive legal battle may give Daylin some cause for concern. The company has been reorganised after bankruptcy proceedings in 1976, and although it is carrying $40m in cash on its balance sheet, management has already run into some criticism from dissatisfied shareholders attracted by the Grace offer. This group is also critical of the offer for Narco, not least because of the premium which Daylin appears willing to pay.

Pennsylvania-based Narco, a manufacturer of hospital equipment, has appeared nonplussed by Daylin's bid, but has questioned whether it represents any more than an attempt to outflank Grace. Specifically, Narco has asked for a number of assurances that the bid would be made even if Grace gains control of Daylin, and has raised the question that many members of Narco management might prove unwilling to work for Daylin.

Grace's suit is likely to be an additional worry for Narco management, and the entire battle is now delicately poised.

Boeing contract for Grumman

BY STEWART FLEMING

BOEING HAS awarded a $600m contract for the manufacture contract for the manufacture of centre wing sections, for its new 767 passenger jet to Grumman Corporation.

Grumman is the largest U.S. producer of carrier based military aircraft and its orders and profitability have been dependent on U.S. military spending. The order is important to the company because of the uncertainties about future military orders and also because it puts the company for the first time into the commercial aircraft market.

A substantial proportion of the subcontracted work on the Boeing 767 is being undertaken in Japan and Italy where manufacturers have taken a share in the development of the jet.

Occidental's year disappoints

BY JOHN WICKS IN ZURICH

THE PAST year has been a disappointing one for Occidental Petroleum Corporation, according to the chief financial officer Mr. John J. Dorgan. Speaking in Zurich, he said Occidental expects to show "rather small" profits for 1978. He attributed this primarily to a $122m writedown on European refineries and a reduction of potential earnings by $73m due to the U.S. coal strike.

While the company did not earn its dividend last year, Dorgan said Occidental did not want to cut dividend without good reason. Full details for calendar 1978 will be released next month.

Dorgan forecast "much better" results for 1979, with an overall rise in production and the cessation of losses from the Antwerp refinery operation.

There would be a rise in production in Libya and with regard to the North Sea, where Occidental has a 36.5 per cent stake and management of the Piper and Claymore fields, cash flow is seen as developing so as to bring about a pay-out during 1980.

Assets rich UV Industries cashes in

BY OUR NEW YORK STAFF

WHAT DOES a company do when it builds up half a billion dollars in liquid assets? In the case of UV Industries, The New York-based electrical and minerals company, headed by Mr. Martin Horwitz, the answer is cash in and make the most of it.

UV announced last week plans to liquidate its assets and distribute the proceeds to its shareholders.

UV Industries grew over the last 20 years through a series of large takeovers—U.S. Smelting, Refining and Mining Company, Mueller Brass and in 1972, Federal Pacific Electric—to achieve sales of $600m, with a net worth of about $250m. However, last year it sold Federal Pacific Electric again, to Reliance Electric for $345m

GM may try to dispose of Frigidaire

By Our New York Staff

GENERAL MOTORS, the giant of the U.S. auto industry, may be preparing to shuffle off its little-known ownership of the Frigidaire Company, the home appliance producer which has been part of the GM empire for 60 years.

This view is based partly on indications from suppliers that GM has begun cancelling long-standing purchasing arrangements. But GM's intentions for the division, which employs 7,200 people in Dayton, Ohio, remain a mystery and the company is refusing to confirm or deny that it plans to sell off the Frigidaire name to a Japanese manufacturer and to convert the Dayton factories to the manufacture of small pick-up trucks.

Frigidaire's annual sales amount to a respectable $500m, which is, however, only 1 per cent of GM's total annual sales. Good profits are thought to have been elusive, but Frigidaire is so marginal in the context of GM's overall activities that few analysts have ever bothered to include the division's performance in their estimates and forecasts.

Domestic appliances are an extremely competitive sector and GM has long been handicapped by the fact that Frigidaire employees are members of the United Auto Workers trade union. As a result, wage rates have been comparable with those in the car factories, and the company's labour costs higher than its competitors. Frigidaire prices, however, had had to remain competitive and profit margins have been slender or non-existent, it is believed.

Frigidaire joined the GM business in 1918 when GM's founder, Mr. William C. Durant, bought the Guardian Frigerator Company of Detroit. In the early 1920s it was seen as a candidate for closure after losses of several million dollars, but combination with a stronger GM unit saved the company.

Tiger International's $8m bid rejected by Seaboard Airlines

BY OUR NEW YORK STAFF

SEABOARD World Airlines, a leading trans-Atlantic air freight carrier, disclosed yesterday that it is seeking a merger partner and urged its shareholders to ignore a $12.30 per share bid for 9.4 per cent of its stock from Tiger International, the largest U.S. freight airline.

Tiger's bid would raise its stake in Seaboard to 25 per cent—the limit set by the Civil Aeronautics Board pending a decision on whether to allow a full merger. Tiger's holding would have to be placed in a voting trust which would be voted in the same proportions as other shares are voted.

Seaboard said yesterday that the $12.30 per share offer, worth in total close to $8m, was inadequate and did not reflect the company's strong financial position and excellent prospects. Seaboard had retained Kidder Peabody and Co. "to initiate discussions regarding merger or other form of business combination with parties prepared to recognise the true value represented by acquisition of control of Seaboard as an established and successful company."

Key Massey executives die in Detroit air crash

BY JIM RUSK IN TORONTO

THE EFFORTS of Massey-Ferguson of Toronto to turn round its money-losing North American operations received a blow over the weekend with the death in a Detroit plane crash of four senior company executives.

Killed in the crash were Helmut Mack, senior director of finance for North America, William Murray, president of Massey's Canadian operating subsidiary, Robert Campbell, purchasing director for North America, and Robert King, director of product services.

The pilot and co-pilot of the jet were also killed in the crash, which resulted when the wing tip of the jet apparently touched the runway and the plane exploded during a landing. The Lear jet was on its way from Des Moines, Iowa, where Massey's North American headquarters are located, to Toronto, and was landing in Detroit.

Mr. Mack and Mr. Murray were key executives in Massey's attempt to stem North American losses. Mr. Mack was one of the two senior executives who had been transferred from headquarters to Des Moines after sudden and unexpected losses were reported in North America about two months ago. While the precise size of the losses has not been reported, Massey senior executives have not questioned stock market estimates that they were $35m.

NCR to pay $125m for Comten

BY OUR NEW YORK CORRESPONDENT

NCR, one of the leading U.S. computer manufacturers which is in the process of launching more powerful equipment, has agreed to buy Comten, a data communications company, for around $125m in stock and cash.

Comten manufactures programmable communications systems which facilitate data transmission between main-frame computers and remote terminals.

Both companies have approved the transaction under which NCR will make a $22 a share tender offer for up to 45 per cent of Comten's 5.3m shares, with the outstanding stock to be acquired with a mixture of NCR common stock and cash.

EUROBONDS

Changes in controls on Japanese bonds

By John Evans

ATTENTION IN the international bond markets yesterday turned to Japan, where relaxations were announced on controls over foreign investment in shorter-term Japanese domestic bonds.

One immediate reaction among some international investors was to liquidate part of their present holdings of such bonds, which generally comprise bank debentures and Government and discount bonds. Selling was said to be heavy from the Middle East and South East Asian centres.

This reflects the fact that foreigners have been able to circumvent the controls to some extent, European banks point out.

The new relaxation allows non-residents to purchase Japanese bonds with maturities remaining of one year and one month or more. The previous cut-off point, five years and one month, had been in force since last spring.

McGraw sues Amex president

By Our New York Correspondent

McGRAW-HILL has filed a suit in New York charging that Mr. Roger H. Morley, president of American Express, used his position as a director of McGraw-Hill to obtain inside information which was of use to American Express in launching its $880m take-over bid for the publishing company.

The suit asks that the American Express offer of $34 a share should be blocked and contends that the froced sale of McGraw-Hill in these circumstances is valuing the company at some $500m below an adequate price.

Last week McGraw-Hill, under New York State take-over law, sought to compel American Express to reveal its proposed financing for the take-over and its future plans for McGraw-Hill.

AMERICAN QUARTERLIES

	1978	1977
AMFAC		
Fourth quarter	$	$
Revenue	434.6m	573.4m
Net profits	17.0m	14.5m
Net per share	1.31	1.16
Year		
Revenue	1.5bn	1.32bn
Net profits	42.4m	32.7m
Net per share	3.27	2.56

	1979	1978
BAKER INTERNATIONAL		
First quarter	$	$
Revenue	258.2m	189.5m
Net profits	19.3m	14.6m
Net per share	0.68	0.51
BECTON DICKINSON		
First quarter	$	$
Revenue	173.8m	153.2m
Net profits	13.6m	11.6m
Net per share	0.72	0.62

	1978	1977
CERTAINTEED CORP.		
Fourth quarter	$	$
Revenue	214.3m	205.5m
Net profits	12.3m	14.4m
Net per share	0.78	0.97
Year		
Revenue	895.4m	818.1m
Net profits	54.4m	54.2m
Net per share	3.48	3.68
CRANE CO.		
Fourth quarter	$	$
Revenue	305.6m	272.4m
Net profits	10.3m	9.3m
Net per share	1.03	0.82
EASTERN GAS AND FUEL		
Fourth quarter	$	$
Revenue	216.0m	182.0m
Net profits	18.4m	8.3m
Net per share	0.85	0.38
Year		
Revenue	663.9m	698.1m
Net profits	12.8m	33.7m
Net per share	0.56	1.54
ETHYL CORP.		
Fourth quarter	$	$
Revenue	378.2m	318.2m
Net profits	20.4m	17.6m
Net per share	1.04	0.95
Year		
Revenue	1.42bn	1.20bn
Net profits	82.7m	78.0m
Net per share	4.24	4.23
GERBER PRODUCTS		
Third quarter	$	$
Revenue	121.5m	109.5m
Net profits	7.0m	6.5m
Net per share	0.85	0.79
Nine months		
Revenue	353.5m	322.9m
Net profits	19.6m	16.5m
Net per share	2.40	2.04
GULF CANADA		
Year	$	$
Revenue	2.6bn	2.35bn
Net profits	183.0m	185.0m
Net per share	4.02	4.07
LEAR SIEGLER		
Second quarter	$	$
Revenue	329.8m	271.0m
Net profits	16.3m	10.2m
Net per share	1.19	0.74
Six months		
Revenue	620.5m	525.0m
Net profits	26.5m	19.0m
Net per share	1.57	1.13
MEMOREX CORP.		
Fourth quarter	$	$
Revenue	182.3m	124.0m
Net profits	12.4m	9.4m
Net per share	1.56	1.43
Year		
Revenue	633.2m	450.1m
Net profits	42.0m	33.8m
Net per share	5.65	5.25
NORFOLK AND WESTERN RAIL		
Fourth quarter	$	$
Revenue	351.4m	306.5m
Net profits	96.1m	26.0m
Net per share	3.08	0.83
Year		
Revenue	1.1bn	1.24bn
Net profits	165.2m	103.4m
Net per share	5.29	3.31
RAYTHEON		
Fourth quarter	$	$
Revenue	854.0m	747.0m
Net profits	37.6m	30.5m
Net per share	1.21	0.99
Year		
Revenue	3.24bn	2.82bn
Net profits	150.0m	113.2m
Net per share	4.83	3.67
TEXACO CANADA		
Fourth quarter	$	$
Net profits	38.2m	44.6m
Net per share	1.09	1.30
Year		
Revenue	1.93bn	1.73bn
Net profits	147.9m	149.6m
Net per share	4.19	4.25

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on January 22

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ago Akt. 9¼ 88	25	94½	94⅞	+0⅛	−0⅛	10.19
Australia 8.45 83	175	95⅝	96⅛	+0⅛	+0¼	9.86
Australia 9½ 93	75	96⅞	97⅜	+0⅛	−0½	9.72
Beatrice Foods 7⅞ 83	100	93½	93⅞	+0⅛	+0⅛	9.82
CECA 8¾ 87	50	†93½	94¼	0	−1	9.84
CECA 9¾ 84-99	50	96	96½	0	−0¼	9.79
CNT 9 93	75	94¼	94¾	+0⅛	0	9.72
Canada 9 83	400	97⅝	98⅛	+0⅛	+0¼	9.79
Canada 9¼ 98	350	97½	98	+0⅛	0	9.73
Canadair 8½ 83	70	94⅛	94⅝	+0⅛	0	10.12
Dominion Bridge 9 88	25	94¼	95¼	+0⅛	+0⅛	9.97
EIB 9¼ 98	125	95¼	95¾	+0⅛	+0⅛	9.87
Export Dv. Cpn. 9.85 84	150	*100¼	100⅝	—	—	9.96
Elsportfinans 9 88	50	95¼	95¾	0	−0¼	9.85
Finland 8¾ 83	100	96	96½	+0⅛	+0⅛	10.08
Finland 9 88	100	94⅞	95⅜	+0⅛	+0⅛	10.03
Hospital O/S 9 83	75	97⅛	97⅝	+0⅛	+0⅛	9.63
Itel Finance 9¾ 90	30	93⅜	93⅞	+0⅛	+1¼	10.72
J. C. Penney 8½ 83	100	95	95½	−0⅛	0	9.82
NZ Dev. Fin. 8½ 83	20	94	94½	+0⅛	+0⅛	9.78
NZ Dev. Fin. 8¾ 86	20	93½	94	0	−0⅛	9.72
Nat. West. 9 86	75	96⅞	97⅜	−0⅛	+0⅛	9.64
Newfoundland 9½ 90	50	96¼	96¾	0	0	9.78
Nord Inv. Bk. 8¾ 88	25	95⅜	95⅞	0	0	9.46
Norges Komm. 9¼ 98	75	96⅜	96⅞	+0⅛	−0⅛	9.86
Norsk Hydro 9¼ 94	50	95¾	96¼	+0⅛	−0⅛	9.77
Norway 7⅞ 83	250	92¾	93¼	+0⅛	−0⅛	9.38
Norway 8¾ 83	150	96½	97	+0⅛	+0⅛	9.90
Norway 9¾ 84	150	99¾	100	—	—	10.02
Occidental 8¾ 85	75	92⅜	92⅞	+0⅛	+0⅛	10.50
Ont. Hydro 8½ 85	125	93⅝	94⅛	0	0	9.82
Quebec Hydro 9½ 93	50	96⅞	97⅜	+0⅛	+0⅛	9.87
Sweden 9¼ 88	125	96⅜	96⅞	+0⅛	−0⅛	9.87
UK 8¾ 85	200	94½	95¼	+0⅛	−0⅛	9.83
UK 8⅞ 93	150	95⅛	95⅞	+0⅛	−0⅛	9.68

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 6½ 88	150	95⅛	95⅞	0	−0½	7.13
Australia 6 88	250	99⅞	100⅝	0	−0⅝	5.96
Austria 6¼ 90	150	93⅝	94⅜	−0⅛	−0½	6.49
Bankamerica 5¾ 90	150	98⅛	99⅛	0	−0⅝	5.90
Bq. Ext. Algerie 7¾ 85	100	96⅝	97⅜	0	−0⅛	7.83
Brazil 7¼ 87	150	100⅛	100⅝	−0⅛	−0⅜	7.18
CECA 6 88	150	95¼	95¾	−0⅜	−0⅝	6.49
Canada 4¾ 83	600	97⅞	98⅜	−0⅜	−0½	5.27
Ch. Manhttn O/S 6 93	100	100⅜	100⅞	0	−1	5.93
Commerzbank WW 3½	100	102¾	103¾	−0¼	−0⅞	3.70
Commerzbank XW 3½	100	†82	83	+0⅛	−0⅛	5.98
Copenhagen City 6 90	75	93⅝	94⅝	0	−0½	6.75
Council of Europe 6¼	100	97⅞	98⅜	0	+0⅛	6.37
Council of Europe 6⅝	135	98⅜	98⅞	+0⅛	+0⅛	5.44
EIB 6 90	300	95½	96	+0⅛	−0½	6.53
EIB 6½ 91	200	96¼	96¾	—	—	6.94
Finland 6 83	150	98⅝	99⅛	−0⅛	−0⅛	6.27
Hitachi Ship 5¾ 83	60	99⅞	100⅜	−0⅛	−1	5.72
IBJ 5 84	100	97⅜	98⅛	−0⅛	−0¼	5.47
Indonesia 7 84	100	96⅞	97⅜	0	−0⅛	7.63
Kobe, City of 5¾ 88	100	101⅛	101⅞	+1	+0⅛	5.49
Norges Komm. 6¾ 89	150	96⅜	97⅛	—	—	6.67
Mitsubishi Petro. 5¾ 85	100	100	101¼	−0⅜	−1	5.63
New Zealand 6¼ 87	200	99	99½	−0⅛	−0¼	6.37
Nippon Steel 5¾ 85	100	99⅞	100⅜	−0⅛	−0½	5.70
Nordic Inv. Bk. 6¾ 86	60	97⅞	98⅜	−0¼	−0⅜	6.59
Norges Komm. 6 90	100	96⅞	97⅜	+0⅛	−0⅛	5.34
Norwegn. Ind. Bk. 6 90	125	97½	98	+0⅛	0	6.30
Occidental 6¾ 90	150	96⅝	97⅛	−0⅜	−0⅞	7.13
OKB 6½ 88	100	100⅝	101⅛	−0⅛	−0⅜	6.36
Petroleo Brazil 7 88	100	98¾	99¼	−0⅜	−0⅜	7.14
PK Banken 5¾ 88	100	93	93½	−0⅛	−0¼	6.73
Quebec, Prov. of 6 90	150	94⅜	94⅞	−0⅛	−0⅜	6.71
Ricoh 5¼ 83	30	99¾	99¾	0	−0⅜	5.37
Statoil 6 88	150	97½	98	−0⅛	−0½	6.31
UDS Group 5¾ 83	65	97	97½	0	0	6.45
Union Bank-Finn 6½ 88	50	95⅝	96⅛	−0⅛	−1⅛	7.09
Venezuela 6½ 90	150	93⅜	93⅞	−0⅛	−1⅛	7.32
World Bank 6¼ 88	400	97½	98	0	−0⅛	6.56

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acosa 5¼ 88	40	104¼	104¾	−0⅛	−0⅛	4.65
Amer. Exp. Int. 3½ 93	40	100⅞	101⅜	+0⅛	+0⅞	3.41
Arlberg Tunnel 4 93	40	101½	102	+0⅛	+0⅛	3.83
Austria 3½ 93	100	98¼	98½	+0⅛	+0⅛	3.64
Brazil 4¾	100	98¼	98½	0	+0½	4.46
Chase Manhattan 4 93	70	105	105¼	+0⅛	+1	3.54
Council of Europe 4¼	100	102½	103	+0⅛	+1	3.94
Bankamerica 3¾ 93	80	102⅜	102⅝	+0⅛	+0⅛	3.63
BNDE 5 88	75	102½	103	+0⅛	+1	4.62
Denmark 4½ 90	100	104	104½	−0⅛	−0⅛	4.03
Denmark-Mortgage Bk.	80	103¾	104¼	−0⅛	+0½	4.05
EIS 4¼ 93	100	102¼	102½	0	0	4.03
Euratom 4¼ 93	80	102⅜	102⅝	+0⅛	+0⅞	4.02
F. L. Smidth 4½ 89	25	103	103½	+0⅛	+0⅛	4.11
Finland 4½ 93	80	103¼	103¾	+0⅛	+0⅛	4.16
First Chicago 3½ 93	70	†99	99¼	−0⅛	+0⅞	3.88
GZB 4½ 93	100	104	104½	+0⅛	+0⅛	4.12
Hilti-Liechenstein 4¼	25	105	105½	0	+0⅛	3.77
ICI Fin. NV. 4¼ 93	100	104½	105	+0⅛	+0⅛	3.80
Malaysia 4¾ 90	80	100¼	100½	0	+0⅛	4.71
Manitoba 4 93	100	103	103½	−0⅛	0	3.71
Nowag 4 93	70	101¾	102½	+0⅛	+0⅛	3.80
Norges Komm. 4¼ 90	100	103½	104	+0⅛	+0⅛	3.82
Norwegian Mt. As. 4 94	40	—	—	—	—	—
OKB 4 93	60	101⅜	101⅞	0	+0⅛	3.86
Oy Nokia 5 90	20	104	105	+0⅛	+0⅛	4.49
Safe 4½ 93	30	103⅛	103⅝	+0⅛	+0⅛	3.92
Sandvik 4 90	85	102⅛	102⅝	0	+0⅞	3.75
Seas 4½ 88	15	104⅛	104⅝	+0⅛	−0⅛	3.93
Voest-Alpine 4½ 93	100	103⅜	103⅞	+0⅛	+0⅛	4.15
Voralberg Kraft 4 93	80	102¼	102½	0	0	3.70
Vienna 4 93	100	101⅜	101⅞	+0⅛	+0⅛	3.86
World Bank 4¼ 93	250	103⅜	103⅞	+0½	+2⅛	3.93

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 5¾ 88	15	96½	97	0	−0⅛	6.22
Australia 5.6 83	30	100⅝	101⅛	—	—	5.43
Australia 6½ 88	20	98⅞	99⅜	—	—	6.71
BFCE 6.4 90	30	95	95½	−0⅛	−0⅛	7.12
Eurofima 6.3 90	10	96	96½	−0⅛	−0⅛	6.88
Finland 5.6 83	10	98⅞	99⅜	—	—	5.86
Finland 6.8 88	10	97⅜	98½	—	—	7.19
Norway 5.7 83	25	100⅝	101½	−0⅛	−0⅛	5.47
Sweden 6.3 90	40	94⅝	95½	−0⅛	0	7.07

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ AS	12	95¾	96⅛	+0⅛	0	12.76
Auto Cote B. 7 93 EUA	16	93⅞	94⅞	0	−1⅛	7.65
Copenhagen 7 93 EUA	20	93⅝	94⅜	0	−1	7.69
Komm. Inst. 7½ 93 EUA	15	97⅜	98⅛	−0⅛	−0⅛	7.78
Panama 8¾ 93 EUA	20	†95½	96⅝	0	−0⅛	8.72
SDR France 7 93 EUA	22	95½	96⅛	−0⅛	−0⅛	7.46
Algemene Bk. 6¾ 83 Fl	75	95⅝	96⅛	−0⅛	−0⅛	7.64
Brazil 7½ 83 Fl	75	95	95⅞	+0⅛	+0⅛	8.78
CFE Mexico 7¼ 83 Fl	75	97⅜	98⅛	0	+0⅛	8.35
EIB 7¼ 85 Fl	75	96	96⅞	+0⅛	+1⅛	7.98
Neder. Midd. 6½ 83 Fl	25	94⅜	94⅞	0	+0⅛	8.03
New Zealand 6¾ 84 Fl	75	95⅜	96⅛	+0⅛	+1⅛	7.78
Norway 6½ 83 Fl	100	94⅝	95	−0⅛	+0⅛	8.08
OKB 6¼ 85 Fl	75	91⅛	92⅛	0	+0⅛	8.10
Elf Aquitaine 9¾ 88 FFr	150	99½	100	0	+0⅛	9.78
EIB 9¾ 88 FFr	200	99½	100	0	+0⅛	9.78
Unilever 10 85 FFr	100	101½	102¼	+0⅛	+0⅛	9.60
RAT 8 88 LuxFr	250	96⅞	97⅝	+0⅛	+1	8.42
Bayer Lux. 8 86 LuxFr	250	96⅞	97⅝	−0⅛	+1	8.49
EIB 7¾ 88 LuxFr	250	95⅛	96⅛	+0⅛	+0⅛	8.28
Finland I. F. 8 88 LuxFr	250	96⅜	97½	0	+0⅛	8.44
Norway 7¾ 83 LuxFr	250	97	97⅞	+0⅛	+0⅛	8.45
Norges Km. 8 88 LuxFr	500	99	100	0	0	8.09
Renault 7¾ 88 LuxFr	500	97⅛	97⅞	0	−0⅛	8.13
Solvay Fin. 8 85 LuxFr	500	100⅝	101⅛	0	−0⅛	7.80
Swedish Bk. 8 88 LuxFr	500	99⅝	100⅛	+0⅛	+0⅛	8.01

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
American Express 82	0¼	99½	100	20/4	10⅝	10.66
Arab. Intl. Bk. M6.5 83	0¾	95⅞	96⅜	31/1	9⅜	9.75
BFG Fin. Co. M5.5 89	0¾	98⅛	98⅝	12/7	12.4	12.57
Bco. El Salvador M8 83	1⅛	97⅛	97⅝	12/4	11.31	11.60
Bco. Nac. Argnt. M8 83	0¾	98½	99	21/7	12⅛	12.41
Bank Handlowy M8 88	1⅛	97⅛	97⅝	25/11	12.94	13.27
Bank of Tokyo M5½ 93	0¼	96⅞	97⅜	18/4	10⅛	10.81
Banque Worms M5¼ 85	0¾	98⅛	98⅝	15/6	12	12.20
Bq. E. d'Alg. M8.375 84	0¾	96⅝	97⅛	9/2	9⅜	9.34
Bq. E. d'Alg. M7.5 85	0¾	95⅛	95⅝	2/8	12⅝	13.35
Bq. Indo et Suez M5¼	0¼	99⅜	99⅞	25/1	9⅜	9.47
Bq. I. Afr. Occ. M6.5 83	0¾	97⅜	97⅞	12/7	12.4	12.70
CCCE M5.25 98	0¼	97½	98	3/2	9.19	9.40
Ch. Man. O/S M5¼ 93	0¼	99	99½	27/1	9.31	9.48
Credit National M5¼ 88	0¼	99	99½	11/7	12⅝	12.60
Gotabanken M6 88	0¾	†97⅜	98⅛	15/5	12.31	12.56
Ind. Bk. Japan M5½ 85	0¼	99⅜	99⅞	1/6	12.35	12.43
Liubljanska M7.75 85	1	96⅜	97⅛	18/7	12.94	13.34
LTCB Japan M5¼ 85	0¼	99⅜	99⅞	9/5	12.06	12.18
Midland Intl. M5¼ 93	0¼	98⅜	98⅞	20/7	12⅛	12.45
Nat. West. M5½ 90	0¼	98⅜	98⅞	21/6	12⅛	12.67
Nipp. Crdt. Bk. M5.5 85	0¼	99½	100	22/6	12.81	12.85
OKB M5¼ 88	0¼	100⅛	100⅝	18/4	10.56	10.51
Offshore Mining 85	0¾	98⅞	99⅜	19/7	12.19	12.31
Petro Mexicano 7½ 84	0¾	98½	99	24/1	—	—
Privredna Banka M8 86	0⅞	95⅝	96⅛	22/6	13.44	13.98
Standard Chrt. M5.5 90	0¼	97⅜	97⅞	10/2	8.94	9.16
Sundsvallsbnkn. M6 85	0¾	97⅛	97⅝	4/4	10.06	10.33
Utd. Overs'a Bk. M6 83	0¾	98⅜	98⅞	4/5	12.31	12.45

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	628	107⅝	108⅝	+3⅛	16.21
Baker Int. Fin. 5½ 93	1/79	34	104	105¼	+0⅛	6.96
Boots 6¾ 93	2/79	2.16	90⅝	91⅝	−0⅛	−2.74
Coca-Cola Bottling 6¾	4/79	9	91	92½	+0⅛	24.56
Ito-Yokado 5½ 93	6/78	1473	132⅞	133⅞	+0⅛	2.03
Novo Industri 7 89	4/79	259	89½	90¾	+0⅛	4.47
Texas Int. Air. 7½ 93	4/79	14.5	90⅝	92	+0⅛	9.23
Thorn Int. Fin. 7 88	11/78	3.67	102	103	−1	−0.19
Tyco Int. Fin. 8½ 88	9/78	21	100⅛	101½	−0⅛	13.71
Tyco Int. Fin. 5 84	5/78	61.5	76	77⅛	+0⅛	152.95
Asahi Optical 3½ DM	12/78	588	94⅛	95⅛	+0⅛	−0.13
Casio Co. 3½ 85 DM	11/78	841	102⅝	103⅝	−0⅛	9.68
Izumiya 3½ 86 DM	10/78	989	96⅛	97⅛	−0⅛	5.47
Jusco 3½ 86 DM	1/79	1270	94⅛	95⅛	+0⅛	13.66
Konishiroku 3½ 85 DM	1/79	612	94⅞	95⅞	−0⅛	8.99
Marudai Food 3½ DM	2/79	1033	101⅛	102⅛	+0⅛	14.62
Murata M. 3½ 86 DM	11/78	854	108⅝	109⅝	−0⅛	−3.55
Niss. Air. 3.5 88 DM	12/78	508	90⅛	91⅛	+0⅛	3.90
Nippon Shinpan 3½ DM	8/78	738	110⅝	111½	+0⅛	6.31
Nippon Yen. 3½ 85 DM	1/79	251	95⅛	96⅛	+0⅛	3.94
Nissan Diesl. 3½ 86 DM	2/79	477	94⅛	95⅛	−0⅛	8.42
Olymp. Opt. 3½ 85 DM	2/79	703	103½	104⅛	+0⅛	−2.67
Ricoh 3½ 86 DM	10/78	617	101⅞	102⅞	−0⅛	16.56
Sanyo Electric 3½ DM	11/78	285	95¼	96⅛	+3⅛	1.58
Seiyu Strs. 3½ 86 DM	9/78	1275	111⅛	112⅛	−0½	−4.80
Sharp Co. 3½ 88 DM	2/79	487	95	96	−1⅛	−4.38
Stanley Elec. 3½ DM	11/78	623	92⅛	93⅛	−0⅛	12.18
Tokyo Elec. 3½ 87 DM	4/79	476	97⅛	98⅛	−0⅛	6.37
Trio Knwd. 3½ 86 DM	11/78	711	90⅛	91½	+0⅛	23.90

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

PUK wins battle to control Hidro

BY ROBERT GRAHAM IN MADRID

SPANISH MINORITY shareholders have lost a bitter year-long rearguard action that sought to prevent the French group Pechiney Ugine Kuhlman from exercising full rights to control the chemical concern Hidro Nitro. As a result, the head of Hidro, former Finance Minister Sr. Juan Miguel Villar Mir and leading opponent of PUK, has been forced to resign.

PUK has a 40 per cent shareholding in Hidro, whose turnover last year was Pta 3.17bn ($45m). Sr. Villar Mir's differences with the French partner and his efforts to prevent PUK from exercising its control has proved one of the most unusual conflicts in the Spanish private sector in recent years.

Disagreement between the two companies arose more than a year ago in three broad areas of company policy, interpretation of agreements on third country sales, marketing strategy and investment. The main complaint of Sr. Villar Mir, whose faction controlled less than 50 per cent of the votes n Hidro, was that PUK was acting unfairly to restrict Hidro sales—especially at a time of depressed international demand for one of the company's main products, ferromanganese.

PUK, for its part, was concerned about the viability of the company's ambitious investment plans. In addition, there was a strong conflict of personalities within the management.

At the annual meeting in March 1978, the opposing factions failed to agree on any issue on the agenda, a second meeting ended in uproar when Sr Villar Mir managed to forestall PUK's efforts to stop his re-election. PUK and its supporters had obtained 51 per cent of the votes, but Sr Villar Mir invoked a virtually unheard of regulation governing relations between Spanish companies and foreign partners.

Accordin gto this, foreign partners can be prevented from interfering with board nominations. Thus thwarted, PUK refused to aprove the 1977 accounts, but nevertheless endorse an increase in Hidro's capital.

Sr Villar Mir then adopted a new strategy. He sought to invoke legislation that prevented foreign shareholders from holding more than 25 per cent in a utility—Hidro, he argued, was a utility. This further angered PUK who said the company's main sales derived from chemicals, that it was registered on the Stock Exchange as a chemical company and that they themselves had bought into the company in 1969 when it desperately needed new capital and technology.

Last August a temporary truce was agreed to enable the company to function, the two factions agreeing to abide by the opinion of the Commerce Minister on Hidro's standing as a utility. The Ministry has now firmly stated that the company is not a utility, enabling PUK to participate fully in the capital increase.

A formal statement in the Press over the weekend said that Sr Villar Mir had resigned. The case has been watched with interest by the foreign business community and if it had gone against PUK, the reaction would have been unfavourable.

ALGERIAN BORROWING

Bankers play the field for better terms

BY FRANCIS GHILÈS, RECENTLY IN ALGERIA

ALGERIA EMERGED last year, for the first time since 1973, as by far the largest borrower within the Organisation of Petroleum Exporting Countries (OPEC). It raised $2.5bn worth of loans and $721m worth of bonds on the international capital markets. This represents a three to fourfold increase compared with the amounts raised in 1977.

The sum total of hard currency funds raised last year is more than Algeria needed, but the country's bankers have obviously decided to take advantage of the high liquidity and falling spreads available in international credit markets.

The Bechtel-Sonatrach report on the future development of hydrocarbons will have been of more particular assistance. The financial markets crave reliable and up to date economic information and they got it from a borrower previously noted for its reluctance to provide easy access to information.

Other measures adopted in Algiers help to explain why the Algerian bankers were so successful. First of all, the amount of a forfait paper issued by Algerian borrowers has been reduced. The higher rates paid to bankers who bought such paper, as compared to the return available to them on if they participated in syndicated loans seems to have had the effect *of keeping spreads on loans for* Algeria higher than they need have been.

Other steps taken by the committee set up 18 months ago to co-ordinate Algerian borrowings include a tighter control of approaches made by the string of Algerian state companies to the international banks. Such approaches can no longer be made without the prior approval of one of the major Algerian banks. The next step will be to try to ensure a more orderly approach to the market but, in view of the multiplicity of financings, this is bound to take time.

The Algerian State oil and gas company, Sonatrach, is arranging a $1.05bn loan to finance a third gas liquefaction plant. A 10-year commercial credit with four years grace and a spread of 1¼ per cent over Libor will form $400m of the finance. The balance will take the form of a Coface line of credit.

The result of this housekeeping has been appreciable. Algerian credits now boast terms which are in line with one another and the international bank's reception to financing requests has been friendly. There is no reason why this hould change.

Algeria's foreign currency requirements for 1979 are impossible to assess exactly at present. The reasons are twofold. First of all, part of what was borrowed in 1978 was not needed immediately; Algerian bankers were simply taking advantage of a borrower's market. Second, the next economic development plan (1979-83) has not yet been approved, let alone published.

Investment figures are available for the 1979 budget but not in any detail and not beyond this year. What is known of the contents of the plan suggest that housing and agriculture wil have a greater share of the claims on the investment budget than hitherto. Thus loans might be sought to finance housing projects which contain a high degree of imported items and agricultural contracts expected to be signed with the U.S. Banks appear to be divided as to their willingness to finance such non-hard currency earning projects.

No doubt Algerian borrowers, not least Sonatrach, will continue to try to tie up loans which include both Ex-Im-type credits and straight commercial credit, especially if they can get Ex-Im-type guarantees on part of the commercial tranches of such loans. This type of transaction allows banks to participate while not increasing by much their exposure to Algerian risk and getting, say, Canadian or French guaranteed paper instead.

Algerian borrowers will also remember 1978 as the year they tapped new markets, raising Japanese Yen bonds, DM denominated bonds and a number of dollar denominated floating rate notes.

The latest foreign debt service and projections available are much as expected. No undue concern is felt by international bankers who will nevertheless continue to watch the progress of Sonatrach's operations, not least on the gas liquefaction front, with great care.

Currency rise hits Ciba-Geigy sales

BY JOHN WICKS IN ZURICH

CIBA-GEIGY, the major Swiss chemical concern, suffered a 10 per cent drop in group turnover last year from SwFr 9.94bn to SwFr 8.93bn ($5.3bn) as a result of the Swiss franc's strength. Without the increase in the currency's value, turnover would have shown a rise of some 11 per cent.

Despite the unsatisfactory state of activity in individual customer industries, the dyestuffs and chemicals division achieved real growth across the group in 1978, with local currency sales rising by 8 per cent. In Swiss francs, however, the division experienced a 13 per cent drop from SwFr 1.97bn to SwFr 1.72bn.

Other major branches also suffered a fall in Swiss franc turnover as the sole result of currency developments. Sales of pharmaceuticals improved by 12 per cent all round in local currencies, with favourable results in "some sizeable markets" and noteworthy growth in leader products, while falling by 9 per cent on a consolidated basis to SwFr 2.56bn from Sw Fr 2.81bn.

Agro chemical sales expanded in most markets, total turnover in local currency terms improving by 4 per cent; here, the fall in Swiss franc sales was 16 per cent to Sw Fr 2.08bn. For the plastics and additives division, where sales in local currencies rose particularly sharply in the field of high-grade additives, the corresponding figures were a rise of 14 per cent and a fall of 8 per cent to SwFr 1.64bn from SwFr 1.78bn.

Two divisions managed to show modest Swiss franc growth rates, thanks to sharp increases in local currency sales. These were the Airwick group, whose turnover rose by 1 per cent last year to SwFr 390m, and the associated Ilford and Gretag/CX photographic product concerns, with a 4 per cent rise to SwFr 520m. In terms of local currencies, the growth rates here were 30 per cent and 26 per cent respectively. Details of group earnings will be published at the end of next month.

Porsche turnover stays strong despite strikes

BY GUY HAWTIN IN FRANKFURT

PORSCHE, the West German high performance car manufacturer, was hard hit by last year's metal industry labour dispute. The strikes depressed production in the 1977-78 business year to July 31 by 6 per cent to just under 35,000 of its fast and expensive sports cars.

This meant that its record of two years rapid output growth was broken—in 1975-76, it went up by just under 136 per cent, while in 1976-77 the growth rate was 82 per cent. However, the group was, in any event, expecting a period of consolidation.

This year, the group is expect*ing to return to its former levels* of rapid growth. Indeed, in the first five months of 1978-79 cash turnover went up by 25 per cent.

Despite the difficulties in 1977-78, cash sales still rose. Turnover increased from 1976-1977's DM 1bn to DM 1.12bn ($611.5m). Admittedly, the 12 per cent growth rate was nothing to compare with the 66 per cent of 1976-77 or the previous business year's 71.1 per cent, but it was a satisfactory performance considering production was 2,250 units lower than in 1976-77.

Exports remained strong—running at 69 per cent of cash sales. Although this proportion was below that of 1976-77 when it totalled 74 per cent, it was still ahead of the previous business year's 66 per cent.

Profits were also somewhat dented. The net figure fell from DM 17m to DM 10m. Again, however, they were well up on 1975-76's DM 7.5m. The dividend, 20 per cent for 1977-78, remains unchanged from the previous two years, but shareholders will not receive the 8 per cent bonus paid for 1976-77.

Milan Bourse sees peak level of new equity

A RECORD number of rights issues on the Milan Stock Exchange was registered last year, but only a small proportion of the capital, possibly around one-fifth, was put up by private investors.

According to official Bourse figures, 33 rights issues last year brought the companies involved L3,250bn ($3.89bn) in new capital. In 1977, there were 21 rights issues, bringing in L495bn in new capital.

But sale of shares at a premium over par brought in only L14bn of the total new capital last year, against L81bn in 1977. Much of the new capital was put up by majority shareholders or banking consortia, in the absence of demand from private investors.

Rights issues last year included Olivetti's L40bn issue, fully taken up by investors, and big issues by state-controlled industry, including steel holding company Finsider and its subsidiary Italsider, backed by the state parent company.

The average daily volume of shares traded on the Milan Bourse doubled last year to L9.16m from L4.38m in 1977 largely as a result of the boom in the market last autumn, Bourse figures show.

Trading volumes have slipped back to about 4m shares daily. The Italian equity market is presently an eighth below the 1978-79 peak

● The Bank of Italy is studying ways of encouraging the use *of bankers' acceptances, possibly* by freeing them from curbs on banks' maximum lending limits to individual borrowers. Bankers' acceptances would be still likely to come under overall credit growth curbs, but such a measure could encourage wider market use of them, particularly among smaller banks, according to financial sources in Rome.

Reuter

Export finance credits boost growth by Bawag

BY PAUL LENDVAI IN VIENNA

BAWAG, the Austrian union bank reports a 23 per cent growth in the balance sheet total to Sch 50bn ($3.7bn) last year, Mr. Walter Floettl, the director general and chairman of the board said that the bank also considerably broadened its foreign activities. Thus export finance credits rose by 69 per cent to Sch 5bn.

Bawag is financing a major steel project in Ilsenburg to be built by the nationalised steel concern VoestAlpine in East Germany at an estimated cost of Sch 3.2bn. The Austrian share financed by Bawag amounts to Sch 2.4bn.

Loans last year rose by 24 per cent to Sch 31bn, Mr. Floettl said. He drew attention to the great success of the BZK credits (personal loans organised through the assistance of the shop stewards) which *reached a total of 204,000 con*tracts worth Sch 10.5bn since they were loans from ten years ago. Currently there are 70,000 such personal loans outstanding and it is stressed that the bank had very good experiences with the credit worthiness of the workers and white collar employees. In accordance with their income levels they can now receive personal loans of up to Sch 300,000.

It was this venture which in the opinion of the director general helped to spread the name of Bawag and created the basis for the rapid expansion of the branch offices.

Bawag last year opened 13 new branches thus raising the total to 44. A further 15 branches will be established in the course of this year, primarily in the provinces. Clearly the expansion of the network of Bawag branches plays a major role in the higher than average *increase of saving deposits.* Mr. Floettl revealed that savings deposits last year were up by 28 per cent to Sch10.4bn. The overall figure of the average growth for the Austrian credit institutes in the field of savings was only 14 per cent last year.

The bank is primarily owned by the Austrian trades union *federation, which has a 65 per* cent holding. The consumer cooperatives have the rest and the West German sister institute, Bank Fuer Gemeinwirtschaft, of Frankfurt, has an interest of just under 5 per cent. Since 1971 when Mr. Floettl took over the chairmanship, the consolidated assets of Bawag showed more than a fourfold rise from Sch11.4bn to an estimated Sch50bn last year.

Rights issue proposed by Landis & Gyr

BY JOHN WICKS IN ZURICH

LANDIS & GYR, the Swiss-based electrical engineering concern, is to recommend an unchanged parent-company dividend of 10 per cent for 1978, as well as a one-for-15 rights issue.

According to a board letter to shareholders, profits were up by 16 per cent in 1978 to SwFr48m ($28.74m) from SwFr41m. Most companies in the group are reported to have shown "considerably better" results in terms of local currencies, but the appreciation of the Swiss franc had an adverse effect on overall figures.

Final figures thus show turnover last year lower by 4.8 per cent to SwFrs986m ($590m) from SwFrs 1.03bn, instead of what would have been 9 per cent growth at constant exchange rates. Production value fell by 3.6 per cent, SwFr 1.03bn instead of increasing by 11 per cent. New orders received fell by 13 per cent over the year to SwFrs980m with an unchanged Swiss franc, new orders would have risen.

Net profits of Bank Julius Baer amounted to SwFr 9.8m ($5.9m) last year, or slightly below the 1977 figure of SwFr 9.9m. The parent company, which is to transfer *SwFr 4m of this sum to reserves,* recorded a rise in its balance sheet total to SwFr 713m compared to SwFr 627m. Consolidated assets, including the balance sheet totals of foreign participations of Baer Holdings AG, were up for the year to SwFr 1.2bn against SwFr 1.1bn.

* * *

General of Berne Insurance Company plans to expand its re-insurance business by participation, together with an existing American insurer, in a / U.S. joint-venture. This move, details of which are expected shortly, is separate from the General of Berne's shareholding in the international re-insurance *company Rhein Rueckversiche*rung. Growth potential on the U.S. market is seen "as above-average in the medium term."

Some 10 years ago, the General of Berne withdrew from direct insurance activities abroad. The possibility of re-entering this sector of foreign operations is being looked at, but the Swissc ompany says that no concrete plans have emerged.

* * *

Retail turnover of Migros, the leading Swiss co-operative and the country's biggest single importer of consumer goods, *rose by 2.7 per cent last year* to SwFr 8.44bn (£3.85bn), despite stable or slightly declining sales prices.

This increase will probably prove to be much higher than that for Swiss retail turnover as a whole, which rose by only 1.3 per cent in the 12 months ended October 1978.

Migros, which in 1977 had a 13.4 per cent share in the national retail market, expects annual growth in real terms of some 2 per cent over the coming years. Retail turnover given does not include the substantial sales of other Migros sales operations and services. Full figures will be published early next month.

* * *

Turnover of Swiss caterer Moevenpick rose by some 4 to 5 per cent last year to over SwFr 350m ($209m), according to a letter to shareholders. Cash flow, which rose by one-third in 1977, is expected to have risen by just 1.8 per cent to about SwFr 23.3m, although investments went up by some 9 per cent to SwFr 10.7m.

Company president Mr. Ueli Prager writes that prospects for 1979 should be seen in the light of the fall in overnight stops by tourists, restaurant sales and retail turnover booked over the past few months in Switzerland. He says he has "no great hopes" for this year, although he is not despondent.

Among new projects for the group are a motorway restaurant at Weil, on the German side of the Basle frontier, restaurant facilities for a casino near Hanover and the building of a hotel in Ulm attached to a congress centre already managed by Moevenpick, in Switzerland. At the same time an hotel and restaurant has been taken over in Chiasso, a storage and refrigerated warehouse is to be opened near Zurich and two "Cindy" fast-food outlets are to be set up.

Restaurant and sales units are also to be opened in the 1979-80 period in Zug, Basle and Zumikon.

Outside Europe, a "Moevenpick" restaurant managed by the Swiss group is to open this spring in El Riyadh, while a further operation is planned for Saudi-Arabia next year. A management contract has just been signed for the first Moevenpick restaurant in the U.S.

Malta Drydock raises earnings

By Godfrey Grima in Malta

SHIPREPAIR, shipbuilding and light engineering sales by Malta Drydocks increased to M£15.8m ($41.6m) last year from M£12.6m in 1977.

Despite fierce competition from rival Mediterranean yards and a continuing decline in shiprepair orders, the yard managed to step up pre-tax profits to M£220,494, a sharp rise on the previous year's profit of M£60,178.

The yard's report said competition from rival yards during 1978 was made worse by the absence of any sign of revival in the shiprepair market. The future for shipbuilding orders was, however, heartening even though competing yards were offering subsidised prices.

During 1978, Malta Drydocks paid M£3.9m for direct labour and M£4.6m for direct materials.

This left the yard with a gross profit of M£7.1m. Overheads cost Malta Drydocks M£6.9m.

The yard, which employs more than 5,000 men, still has an outstanding loan of M£4.1m from the Maltese Government. The funds were provided to finance development.

Air Malta ends link

Pakistan International Airways' five-year association with Air Malta, which covered the leasing of aircraft, maintenance and the training of Maltese personnel, will come to an end in March, writes Godfrey Grima in Malta. This was confirmed by Mr. S. Ali, PIA's corporate development director, who also sits on the Air Malta board. PIA will, however, retain its 20 per cent shareholding in the Maltese national carrier, Mr. Ali said.

Since its inception five years ago, Air Malta has been assuming greater responsibility for its own operations. The company now owns its own aircraft, including the two Boeing 720Bs, originally leased from PIA. Air Malta also runs its own maintenance base at Luqa Airport. Several months ago, the Maltese airline concluded an engineering/maintenance accord with Aer Lingus, the Irish Airline.

PIA has played a considerable part in the building up of the Maltese airline, created by Premier Dom Mintoff's government. Other than providing aircraft, engineering and administrative staffs in the initial years PIA has trained 12 Maltese co-pilots and more than 100 cabin staff.

AUSTRALIAN NEWS

APM boosts profits for half year

BY JAMES FORTH IN SYDNEY

AUSTRALIAN PAPER Manufacturers lifted profit 27 per cent, from A$8.29m to A$10.49m (U.S.$12m) in the December half-year and the directors expect the improvement to continue.

Group sales rose 44 per cent to A$233m. The higher sales and profits came despite an eleven weeks' strike at the Botany mill, Sydney. The dispute over the retrenchment of 400 workers. It was finally ended when APM agreed to guarantee employment for some workers for up to twelve months and make severance payment to the remainder. APM has included A$1.2m in the latest results as an extraordinary item to cover the after tax value of these payments. Total value of the payments was A$4.3m of which A$2.2m was paid in lieu of notice.

The directors said that all subsidiaries traded profitably and predicted that favourable trading conditions would continue. Because of substantial investment in new plant and equipment over the past few years. The Board also forecast improved performance in the group's pulp and papermaking operations. APM's other major activities are also achieving better results so that overall the company is well placed for profitability growth in the period ahead, they added.

The recent acquisition of importer and merchant Brown and Bureau, part of a move to lessen dependence on traditional paper activities resulted in an addition to profit of A$1.12m. Interim dividend is held at 4 cents a share.

Mauri Bros. and Thomson, the Australian food group, lifted its profit 11.5 per cent from A$1.55m to A$1.73m in the November half-year, and interim dividend is increased from 3 cents to 3.25 cents a share. Last year the company paid a final of 3.25 cents, making a total of 6.25 cents.

The directors attributed the higher result to cost savings and improvements by some sections, particularly those benefiting from recent rationalisation.

The catering and health foods operation recorded higher turnover and substantially increased profits, while the grocery division operated at higher turnover and with slightly improved results. The industrial foods division recorded lower earnings.

The directors added that they were budgeting for an overall improvement for the full year.

Gains at Kadoorie plantations

BY ANTHONY ROWLEY IN HONG KONG

TWO HONG KONG-registered plantation companies which recently rejected takeover offers from the Malaysian plantations group, Highlands and Lowlands Berhad, have reported sharply increased profits for the year to September 30.

The two—Rubber Trust and Amalgamated Rubber Estates—along with a third, Shanghai Kelantan Rubber Estates, are all controlled by Hong Kong's Kadoorie Family, and rejected overtures from Highland and Lowlands on the grounds that these understated their assets and profitability.

Rubber Trust on January 20 reported after-tax profits of HK$14.1m (US$3m), compared with HK$8.47m in the previous year. The 1977-78 figures included, however, land sale profits of HK$6.85m. Rubber Trust is paying a final dividend of 15 cents a share, against 10 cents, and a cash bonus of 5 cents makes the total distribution 29 cents a share, against 19 cents.

Amalgamated Rubber's net profits were HK$9.08m (US$1.7m), against HK$5.67m the previous year, although accounting changes made direct comparisons invalid, the board said.

Amalgamated is paying a final dividend of 9 cents a share plus a cash bonus of 3 cents, making a total distribution of 20 cents, compared with 14 cents.

Loss by North Borneo Timbers

BY WONG SULONG IN KUALA LUMPUR

NORTH BORNEO TIMBERS, which was one of the fastest-growing companies in the Kuala Lumpur Stock Exchange during the first half of the 1970s, has reported a loss of 1.79m ringgits (US$ 813,000) for the first half of the year and is not declaring an interim dividend.

Mr. Akbar Hydari, the chairman, in his report said that a substantial part of the loss was incurred during the first quarter when trading conditions were very difficult.

The second quarter showed signs of improvement, but losses were also incurred by poor timber extraction, and the closure of an unprofitable contract operation.

For the first six months, ended November, log production was 7.8m cubic feet, compared with 8.4m cubic feet during the same period in 1977.

The losses would have been more severe had it not been for the income from cocoa, which is becoming an important crop for NBT.

Although cocoa sales rose by only 8 per cent to 726,000 lbs income from the crop, at 2.27m ringgits (U.S.$1.03m), was 217 per cent higher due to the sharp increase in prices.

Mr. Hydari said that since November, demand for timber had improved further, and prices had advanced sharply. He expected the results of the full year to show a modest profit, and the company should be able to pay a 5 per cent dividend.

Toshiba outlook improves

TOSHIBA Corporation has revised upwards its forecast of after-tax profit for the year to March 31 to about Y19bn ($96m) from the Y14-15bn estimated last October. The company also revised upwards its sales forecast to about Y1,230bn ($6.2bn) from Y1,220bn.

It plans to increase its dividend for the year to Y6 per share, from Y5 last year, when it reported after-tax profit of Y13.92bn on sales of Y1,060bn.

Toshiba attributed the improved outlook to measures taken to cut production costs, and on a rise in the operating rate, which reduced fixed costs. The operating rate has now risen to 95 per cent from an average 85 per cent last year, as a result of increased orders, mainly from the electric power industry, following increased Government spending for public works.

Orders so far received in the second half-year total Y900bn, including a nuclear power plant worth Y200bn from the Tokyo Electric Power Company, compared with orders of Y633bn in the first half-year.

Another factor behind the profit rise, it was said, was the stabilisation of the dollar against the yen in recent months, which improved export profitability. The company suffered an exchange loss of Y9.4bn in the first half, to September, but the loss in the second half-year would decline sharply, it aded.

Reuter

Ito-Yokado issues

ITO-YOKADO Company, the major Japanese retailing company, has authorised a one-for-ten scrip issue, reports AP-DJ from Tokyo. In addition, a new issue of 12.5m shares is planned through underwriters in Japan to be effective March 1. The offering period and the issue price have not yet been determined.

The scrip issue and the new issue—if the issue price is below the then current market price—are expected to result in an adjustment of the conversion price of the company's outstanding convertible debentures which are listed on the American stock exchange.

Interim rise of 2.9% for Kubota

TOKYO — Kubota, a major agricultural machine maker in Japan, said yesterday that its consolidated-based net profit for the half-year ended October 15 rose 2.9 per cent above the same period last year to Y10.17bn ($50.5m).

Consolidated-based sales in the half-year were Y255.179bn ($1.29bn), up 2.8 per cent from Y248.112bn the year before. The net profit per American deposit (AD) rose to Y163 from Y160 the year before. One AD equals 20 shares of common stock of its parent company.

Exports in the period were Y24.561bn, 13 per cent more than a year earlier. Sales of agricultural machinery were Y102.785bn, down 12.5 per cent from Y117.522bn the year before.

Sales of industrial pipes were Y73.719bn, up 21.4 per cent from Y60.711bn the year before.

Sales of housing construction-related products totalled Y28.242bn, 3.5 per cent more than the Y27.278bn a year ago.

AP-DJ

Makino buys H. &H. stake

By Richard Hanson in Tokyo

MAKINO MILLING Machine, the major machine tool maker, has acquired a 25.1 per cent equity share in West Germany's Hiedenreich and Harbeck which it will use as a manufacturing and sales base.

Makino paid out DM 1.004m ($55,000) for the shares, taking half of a new share increase. The Japanese maker of numerical controlled machine tools will participate in management. It aims to be producing machinery with its technology under a H and H—Makino brand name from September this year.

The West German company was split from the parent company, Gildemeister, in 1978 permitting the opportunity to acquire a stake.

CURRENCIES, MONEY and GOLD

Dollar and pound soft

The dollar and sterling had a softish tone in the foreign exchange market yesterday, but any support given to either currency was probably on a small scale. The dollar's trade weighted depreciation, as calculated by Morgan Guaranty of New York, was unchanged at 9.0 per cent, but the pound's index on Bank of England figures, fell to 63.2 from 63.4, after falling to 63.1 at the start, but improving slightly to 63.2 at noon.

Sterling opened at $2.0030 against the dollar, and touched its best level of the day at $2.0050 in early trading. Shortly after it lost ground sharply to $1.9950, the lowest point touched yesterday, but then traded around $1.9975-2.0000 for most of the day, before easing to $1.9965 in the afternoon, and closing at $1.9980-1.9990, a fall of 50 points on the day.

Forward sterling was weaker, reflecting continuing fears about the economic and labour situation in the U.K., with the three-month discount against the dollar widening to 1.15 cents from 1.07 cents.

There was no sustained selling of sterling however, and the dollar was also fairly quiet ahead of today's State of the Union message, and also showing little reaction to President Carter's budget. The late improvement may have reflected some intervention by the Federal Reserve, with the dollar closing at DM 1.8440 against the D-mark, compared with DM 1.8430 on Friday, while the rate against the Swiss franc also showed little change, closing at SwFr 1.6780, compared with SwFr 1.6740 on Friday. The U.S. currency finished at Y197.60 in terms of the yen, against Y198.35 previously.

NEW YORK—The dollar was slightly firmer, but showed little early reaction to President Carter's budget, which came as no surprise to the maraket.

BRUSSELS—The dollar edged up against most other major currencies, but fell against the yen in early trading, after the Japanese Ministry of Finance announced a further easing of capital controls. Trading was moderate, and the rise of the dollar was probably a technical reaction to short covering ahead of President Carter's State of the Union message today. During the morning the dollar fell to Y197.70 against the yen from an opening level of Y198.38, but advanced to DM 1.8412 against the Deutsche Mark, from an opening of Y1.8380.

FRANKFURT — The Bundesbank did not intervene when the dollar was fixed at DM 1.8410, compared with DM 1.8380 against the D-mark previously. Trading was quiet, but commercial demand and short covering helped the U.S. currency to pick up from a low point of DM 1.8355 in the morning.

PARIS—The dollar was steady, without any apparent reaction to President Carter's latest budget. The U.S. currency closed at FFr 4.2337½, compared with FFr 4.2287½ early in the day, and FFr 4.2325 last Friday. The franc eased against most other currencies, except sterling which fell to FFr 8.4565 from FFr 8.4800 late Friday, as a reflection of the industrial problems in Britain.

MILAN—The lira lost ground slightly against most major currencies yesterday morning, with the D-mark rising to L453.75 from 453.35, and the Swiss franc improving to L499.25 from L498.71. The dollar rose to L834.5 in early trading, and was fixed at L834.45, compared with L833.70 on Friday. Dollar trading was very slow at $6.3m. Small early losses by the lira tended to be reversed towards the end of the fixing, with the D-mark closing the session at L453.19. In the late afternoon, the dollar was little changed at L834.25.

AMSTERDAM — The dollar was fixed at Fl 1.9865 against the guilder, compared with Fl 1.9850 on Friday.

TOKYO — The dollar rose to Y198.05 against the yen at the close, from Y197.65 before the weekend, but slightly lower than the opening level of Y198.30.

THE POUND SPOT

Jan. 22	Bank rate %	Day's Spread	Close
U.S. $	9½	1.9950-2.0050	1.9980-1.9990
Canadian $	11¼	2.3705-2.3800	2.3720-2.3730
Guilder	6½	3.96-3.99	3.97½-3.98½
Belgian F	6	57.90-58.50	58.15-58.25
Danish K	8	10.18-10.22½	10.20½-10.21½
D mark	3	3.66½-3.69½	3.68¼-3.69¼
Port. Esc.	18	92.60-93.50	93.00-93.40
Span. Pes.	8	138.15-139.55	139.25-139.45
Lira	10½	1,665-1,670	1,666½-1,667½
Nrwgn. K.	7	10.09½-10.13½	10.11½-10.12½
French Fr.	9½	8.44-8.48	8.46-8.47
Swedish Kr	6½	8.66-8.70	8.67½-8.68½
Yen	3½	392-402	394½-396½
Austria Sch	4½	26.85-27.05	26.95-27.00
Swiss Fr.	1	3.33-3.36	3.35-3.36

Belgium rate is for convertible francs. Financial franc 59.35-59.45.

* Jan. 19 should have read: 3.68-3.705 for the spread and 3.685-3.695 for the close.

FORWARD AGAINST £

One month	% p.a.	Three months	% p.a.
0.45-0.35c pm	2.40	1.20-1.10c pm	2.30
0.50-0.40c pm	2.28	1.45-1.35c pm	2.36
2-1c pm	4.53	6-5c pm	5.53
25-15 c pm	4.12	75-65 c pm	4.81
⅞ ore pm-1⅛ dis	−1.17	1-3 ore dis	−0.78
3½-2½ pf pm	9.75	9-8 pf pm	9.22
50-100 c dis	−9.65	75-285 c dis	−6.65
5-75 c dis	−3.01	30-180 c dis	−3.16
1 lire pm-1 dis	0.17	3¼-1¼ lire pm	0.54
6½-4½ ore pm	6.88	14½-11½ ore pm	4.94
4-3 c pm	4.96	10½-9½ c pm	4.72
3½-1½ ore pm	3.98	10⅞-8⅞ ore pm	4.49
4.25-3.85y pm	12.58	11.25-10.95 y pm	11.20
22-12 gro pm	7.56	50-42 gro pm	6.96
4¾-3¾ c pm	13.41	11-10 c pm	12.52

Six-month forward dollar 2.12-2.22c pm, 12-month 3.75-3.85c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
Canada†	84.15-84.23	84.20-84.23	0.05-0.03c dis	−0.32	0.01-0.03c pm	0.02
Nethlnd.	1.9853-1.9905	1.9875-1.9895	0.48-0.32c pm	2.72	1.65-1.60c pm	3.31
Belgium	29.02-29.07	29.04-29.06	7-5½c pm	2.38	19-17c pm	2.51
Denmark	5.1050-5.1125	5.1090-5.1115	0.75-1.25ore dis	−2.67	2.75-3.25ore dis	−2.70
W. Ger.	1.8380-1.8442	1.8432-1.8442	1.18-1.08pf pm	6.85	3.24-3.14pf pm	7.06
Portugal	46.55-46.75	46.65-46.75	28-38	−8.48	50-115	−7.07
Spain	69.70-69.79	69.72-69.77	12-22c dis	−2.86	70-85c dis	−4.44
Italy	834.00-834.50	834.00-834.50	1.90-2.30lire dis	−1.70	4.25-4.85lire dis	−1.56
Norway	5.0560-5.0655	5.0625-5.0645	2.05-1.65ore pm	3.88	3.55-3.25ore pm	2.77
France	4.2285-4.2360	4.2340-4.2360	1.07-0.92c pm	2.32	2.90-2.75c pm	2.65
Sweden	4.3390-4.3430	4.3420-4.3430	1.05-0.85ore pm	2.26	3.05-2.85ore pm	2.67
Japan	197.30-197.90	197.80-197.90	1.70-1.55y pm	9.26	4.55-4.35y pm	9.07
Austria	13.46½-13.50½	13.49½-13.50½	6.75-5.75gro pm	5.06	17.75-15.00gro pm	4.86
Switz.	1.6685-1.6802	1.6775-1.6790	1.58-1.54c pm	9.97	4.56-4.51c pm	10.80

† U.S. cents per Canadian $.

CURRENCY RATES

Jan. 19	Special Drawing Rights	European Unit of Account
Sterling	0.645061	0.679117
U.S. dollar	1.29483	1.36387
Canadian dollar	1.53748	1.61952
Austrian schilling	17.4316	18.38864
Belgian franc	37.6857	39.5795
Danish krone	6.61140	6.95915
Deutsche Mark	2.37990	2.50707
Guilder	2.57024	2.70552
French franc	5.47454	5.76440
Lira	1079.66	1137.13
Yen	255.082	268.845
Norwegian krone	6.55064	6.89239
Peseta	90.2432	95.0403
Swedish krona	5.61374	5.91634
Swiss franc	2.16580	2.27935

CURRENCY MOVEMENTS

January 22	Bank of England Index	Morgan Guaranty changes %
Sterling	63.19	−41.0
U.S. dollar	83.75	− 9.0
Canadian dollar	79.02	−18.3
Austrian schilling	147.57	+20.2
Belgian franc	114.87	+15.5
Danish krone	119.23	+ 7.8
Deutsche Mark	150.64	+42.2
Swiss franc	193.53	+81.3
Guilder	125.18	+21.1
French franc	100.03	− 5.6
Lira	54.32	−49.2
Yen	145.78	+44.1

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Jan.22	£	$		£ Note Rates
Argentina Peso	2054-2074	1028 1038	Austria	26½-27½
Australia Dollar	1.7510-1.7560	0.8762-0.8787	Belgium	59-60
Brazil Cruzeiro	41.66-42.66	20.85-21.35	Denmark	10.15-10.35
Finland Markka	7.88-7.90	3.9430-3.9530	France	8.40-8.50
Greek Drachma	71.630-73.382	35.842-36.719	Germany	3.64-3.74
Hong Kong Dollar	9.4925-9.5125	4.7498-4.7596	Italy	1,660-1,710
Iran Rial	152.91-162.90	76½-81½	Japan	393-403
Kuwait Dinar (KD)	0.540-0.550	0.2702-0.2752	Netherlands	3.92-4.02
Luxembourg Frc.	58.15-58.25	29.07-29.15	Norway	10.05-10.15
Malaysia Dollar	4.3875-4.3975	2.1954-2.2004	Portugal	91-100
New Zealand Dlr.	1.8860-1.8920	0.9437-0.9467	Spain	142-146
Saudi Arab. Riyal	6.61-6.71	3.3075-3.3575	Switzerland	3.30-3.40
Singapore Dollar	4.3135-4.3235	2.1584-2.1634	United States	1.9950-2.0050
Sth. African Rand	1.72174-1.74789	0.8615-0.8746	Yugoslavia	40-42

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Jan. 22	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.999	3.685	395.5	8.465	3.355	3.978	1667.	2.373	58.20
U.S. Dollar	0.500	1.	1.845	197.9	4.236	1.679	1.990	834.3	1.187	29.12
Deutsche mark	0.271	0.542	1.	107.3	2.296	0.910	1.079	452.1	0.643	15.78
Japanese Yen 1,000	2.528	5.053	9.324	1000.	21.40	8.483	10.06	4216.	5.999	147.2
French Franc 10	1.181	2.361	4.356	467.2	10.	3.963	4.699	1970.	2.803	68.75
Swiss Franc	0.298	0.596	1.099	117.9	2.523	1.	1.186	496.9	0.707	17.35
Dutch Guilder	0.251	0.503	0.927	99.45	2.128	0.843	1.	419.2	0.596	14.63
Italian Lira 1,000	0.600	1.199	2.212	237.2	5.077	2.012	2.386	1000.	1.423	34.91
Canadian Dollar	0.421	0.842	1.554	166.7	3.568	1.414	1.677	702.7	1.	24.53
Belgian Franc 100	1.718	3.434	6.336	679.5	14.54	5.765	6.834	2865.	4.076	100.

EURO-CURRENCY INTEREST RATES

Jan. 22	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	11-11½	10⅛-10⅜	8⅞-9⅛	7¼-7½	par-⅛	3⅛-3⅜	6⅛-6⅜	7-10	—	2⅝-3⅛
7 day's notice	12-12½	10¼-10½	8⅞-9⅛	7¼-7½	par-⅛	3⅛-3⅜	6⅜-6⅝	10-11	10¼-10⅜	[illegible]
Month	13-13½	10⅝-10⅞	10[illegible]-11[illegible]	7⅝-7⅞	par-⅛	3¼-3⅜	8⅛-8⅜	12-13	10[illegible]-10[illegible]	[illegible]
Three months	13⅛-13⅞	11-11¼	10[illegible]-11[illegible]	7⅝-7⅞	⅛-⅜	[illegible]	[illegible]	12½-13½	11[illegible]-11[illegible]	[illegible]
Six months	14-14⅜	11⅜-11⅞	10¾-11⅛	7½-7¾	¼-⅜	[illegible]	[illegible]	13-14	11[illegible]-11[illegible]	2⅝-3[illegible]
One year	13¾-14⅛	11⅜-11⅞	10¾-11⅛	7½-7¾	[illegible]	4¼-4⅜	9⅜-9⅞	13½-14½	11[illegible]-11[illegible]	3⅛-3½

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.45-10.55 per cent; three months 10.75-10.85 per cent; six months 11.40-11.50 per cent; one year 11.45-11.55 per cent.

Long-term Eurodollar deposits: two years 10¾-11 per cent; three years 10¼-10½ per cent; four years 10¼-10½ per cent; five years 10¼-10½ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Frankfurt rates firmer

Short-term interest rates in Frankfurt continued to rise yesterday, following the moves by the authorities last week to reduce considerable excess liquidity seen in the money market in recent months. One of the measures was to increase the Lombard rate to 4 per cent from 3½ per cent, and this has been reflected in the upward movement in call money yesterday and at the end of last week. Call money was quoted at 2.95-3.05 per cent last Wednesday, but moved up to 3.0-3.1 per cent on Thursday and 3.6-3.8 per cent on Friday, following the Bundesbank announcement. Continuing the trend yesterday, day-to-day funds rose to 3.9-4.0 per cent, with one-month increasing to 4.0-4.2 per cent from 3.8-4.0 per cent. Three-month and six-month money were unchanged at 4.1-4.2 per cent and 4.2-4.3 per cent respectively, while 12-month was quoted at 4.45-4.55 per cent, compared with 4.4-4.6 per cent on Friday.

PARIS—Day-to-day money rose to 6⅜ per cent yesterday, after falling to 6 per cent on Friday, the lowest level for three years. On Thursday the rate stood at 7 per cent, and was expected to remain at that level, with the sharp downward movement taking the market by surprise before the weekend. The return to 6⅜ per cent reinforced speculation on Friday that the 6 per cent level was purely technical, reflecting an excessive build-up of funds by banks to meet monthly reserve requirements with the Banque de France. Period rates also increased yesterday, with one-month rising to 6⅝-6⅞ per cent from 6½-6⅝ per cent; three-month to 6 11/16-6 13/16 per cent from 6 9/16-6 11/16 per cent; six-month to 6⅞-6⅞ per cent from 6 11/16-6 13/16 per cent; and 12-month to 7 3/16-7 5/16 per cent from 7⅛-7¼ per cent.

AMSTERDAM—Interest rates continued their recent downward trend, with call money at 7¼-7½ per cent, compared with 7½-7¾ per cent previously. One-month eased to 7¾-8¼ per cent from 8-8¼ per cent, and three-month to 7¾-8¼ per cent from 8-8½ per cent, while six-month fell to 7¾-8¼ per cent from 8-8½ per cent.

BRUSSELS—One-month money was unchanged at 8¼-8½ per cent, and three-month at 8¼-8¾ per cent. Six-month funds eased to 8½-8¾ per cent from 8¾-9 per cent, and 12-month were unchanged at 8½-8¾ per cent.

NEW YORK—Federal funds were slightly firmer at 10 1/16-10¼ per cent in early trading, compared with 10-10¼ per cent previously.

GOLD

Sharp rise

Gold rose $4½ to close at $233¾-234¼. It opened at $234-$234½, and was fixed at $234.40 in the morning, and $235.00 in the afternoon. Demand remained good, following the favourable reaction to last week's gold auction by the U.S. Treasury, but tended to ease in the afternoon, before the opening of the New York market. The metal closed around its lowest level of the day, but tended to pick up once again after London closed.

	Jan. 22	Jan. 19
Gold Bullion (a fine ounce)		
Close	$233¾-234¼	$229½-230
Opening	$234-234½	$229¼-229¾
Morning fixing	$234.40 (£117.212)	$230.70 (£114.878)
Afternoon fixing	$235.00 (£117.560)	$230.55 (£114.864)
Gold Coins, domestically		
Krugerrand	$251½-253½ (£126-127)	$246½-248½ (£123-124)
New Sovereigns	$67-69 (£33½-34½)	$65½-67½ (£32½-33½)
Old Sovereigns	$67-69 (£33½-34½)	$65½-66½ (£32½-33½)
Gold Coins, internationally		
Krugerrand	$241-243 (£120½-121½)	$236-240 (£118-119)
New Sovereigns	$61-63 (£30½-31½)	$60½-62½ (£30½-31½)
Old Sovereigns	$67-69 (£33½-34½)	$65½-68½ (£33½-34½)
$20 Eagles	$300-305	$295-300
$10 Eagles	$164-169	$162-167
$5 Eagles	$110-115	$106-111

UK MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

The London money market showed signs of nervousness about the industrial situation in Britain yesterday, with fixed period rates in the interbank market tending to rise, although overnight and one-week money was kept down by a general surplus of day-to-day funds. The one-month interbank rate opened at 12-12⅛ per cent, but firmed to 12⅛-12⅜ per cent at the close, while three-month and six-month began at 12¼-12⅜ per cent, and rose to 12½-12⅝ per cent at the close.

With day-today money in good supply the authorities absorbed surplus funds by selling a moderate amount of Treasury bills to the discount houses.

The market was helped by small net maturing Treasury bills, and a moderate excess of Government disbursements over revenue payments to the Exchequer.

Discount houses paid around 11 per cent for secured call loans in the early part, and closing balances were taken at 10-10½ per cent.

LONDON MONEY RATES

Jan. 22 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10⅛-12	—	—	—	11⅜	9-11	—	—	—
2 days notice	—	—	11⅛-11¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12	—	—	—	—
7 days notice	—	11⅝-11⅞	11⅞	—	12¼	—	11¼-11½	—	—	—
One month	12⅛-12¼	12[illegible]-12[illegible]	12⅛	12¼-12⅝	12⅛	12⅝	11¾	11[illegible]-11[illegible]	12[illegible]-12⅛	12[illegible]
Two months	12⅛-12⅝	12[illegible]-12[illegible]	—	12¼-12½	12¾	—	11⅝-11⅞	11[illegible]	12[illegible]	12½
Three months	12⅝-12¾	12[illegible]-12[illegible]	12½	[illegible]	13	12⅞	12-12⅛	11[illegible]-12[illegible]	12⅝	12⅞
Six months	12⅝-12¾	12¾-12⅞	12[illegible]	12¾-12⅞	13	—	—	—	12⅛-12[illegible]	13
Nine months	12[illegible]-12[illegible]	12⅝-12¾	—	12⅝-13	12¾	—	—	—	—	—
One year	12[illegible]-12[illegible]	12[illegible]-12[illegible]	12¼	13	12¾	—	—	—	—	—
Two years	—	—	12⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 12⅜-12⅝ per cent; four years 12⅝-12⅞ per cent; five years 12⅞-13 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅛ per cent. four-month trade bills 12⅞ per cent.

Approximate selling rates for one-month Treasury bills 11[illegible] per cent; two-month 11[illegible] per cent; three months 11⅞-11[illegible] per cent. Approximate selling rate for one-month bank bills 11[illegible]-12 per cent; two-month 12[illegible] per cent; and three-month 12[illegible] per cent; one-month trade bills 12⅛ per cent; two-month 12⅝ per cent; and also three-month 12½ per cent.

Finance House Base Rates (published by the Finance Houses Association) 12½ per cent from January 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 11.8668 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.75
Fed Funds	10.09375
Treasury Bills (13-week)	9.46
Treasury Bills (26-week)	9.56

GERMANY

Discount Rate	3
Overnight Rate	3.95
One month	4.10
Three months	4.15
Six months	4.25

JAPAN

Discount Rate	3.5
Overnight Rate	6.75
One month	5.6875
Three months	6.75
Six months	6.8125

FRANCE

Discount Rate	3.5
Call (Unconditional)	4.75
Bills Discount Rate	4.625

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on January 22, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territories; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (exC) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afghanistan	Afghani	78.00
Albania	Lek	10.8515
Algeria	Dinar	7.652
Andorra	French Franc	8.4650
	Spanish Peseta	139.35
Angola	Kwanza	n.a.
Antigua (S)	E. Caribbean $	5.4009
Argentina	Ar. Peso Free Rt	2064
Australia (S)	Australian $	1.7538
Austria	Schilling	26.9750
Azores	Portug. Escudo	95.20
Bahamas (S)	Ba. Dollar	1.9985
Bangladesh (S)	Taka	30.36 (sg)
Bahrain (S)	Dinar	0.766
Balearic Isles	Spa. Peseta	139.35
Barbados (S)	Barbados $††	3.9970
Belgium	B. Franc	(cm) 58.29
		(fn) 59.40
Belize	B $	3.9970
Benin	C.F.A. Franc	425.25
Bermuda (S)	Bda. $	[illegible]
Bhutan	Indian Rupee	16.0875 (sg)
Bolivia	Bolivian Peso	39.97
Botswana (S)	Pula	1.6551
Brazil	Cruzeiro ‡‡	42.06
Br. Virgin Isl. (S)	U.S. $	1.9985
Brunei (S)	Brunei $	4.3105
Bulgaria	Lev	1.7161
Burma	Kyat	15.4441
Burundi	Burundi Franc	[illegible]
Cameroon Rp	C.F.A. Franc	425.25
Canada	Canadian $	2.3725
Canary Isles	Spanish Peseta	139.35
Cape Verde I.	Cape V. Escudo	72.9852
Cayman Is. (S)	Cay. Is. $	1.6654
Cent. Af. Rp.	C.F.A. Franc	425.25
Chad	C.F.A. Franc	425.25
Chile	C. Peso	(Bk) 67.56
China	Renminbi Yuan	3.1927
Colombia	C. Peso	(F) 81.76
Comoro Is.	C.F.A. Franc	425.25
Congo (B'ville)	C.F.A. Franc	425.25
Costa Rica	Colon	17.1871
Cuba	Cuban Peso	1.4584
Cyprus (S)	Cyprus £	0.7129
Czechoslovakia	Koruna	(com) 10.60
		(nc) 21.10
		(T) 17.76
Denmark	Danish Kroner	10.21
Djibouti	Fr.	325.9
Dominica (S)	E. Caribbean $	5.4009
Domin. Rep.	Dominican Peso	1.9985
Ecuador	Sucre	(O) 49.50
		(F) 54.02
Egypt	Egyptian £	(T) 1.3954
Ethiopia	Ethiopian Birr	(P) 4.1416
Eq'l Guinea	Peseta	139.35

Place and Local Unit		Value of £ Sterling
Falkland Is. (S)	Falkland I. £	1.0
Faro Is.	Danish Krone	10.21
Fiji Is.	Fiji $	1.6545
Finland	Markka	7.88
France	French Franc	8.4650
Fr. C'tyin Af	C.F.A. Franc	423.25
Fr. Guiana	Local Franc	8.4650
Fr. Pac. Is.	C.F.P. Franc	155.81
Gabon	C.F.A. Franc	425.25
Gambia (S)	Dalasi	3.9805
Germany (East)	Ostmark	3.6875
Germany (West)	Deutsche Mark	3.6875
Ghana (S)	Cedi	5.44 (sg)
Gibraltar (K)	Gibraltar £	1.0
Gilbert Is.	Aust. Dollar	1.7550
Greece	Drachma	72.506
Greenland	Danish Kroner	10.21
Grenada (S)	E. Caribbean $	5.4009
Guadaloupe	Local Franc	8.4650
Guam	US $	1.9985
Guatemala	Quetzal	1.9985
Guinea Rep.	Sily	38.1246
Guinea Bissau		67.9546
Guyana (S)	Guyanese $	5.0962
Haiti	Gourde	9.9925
Honduras Rep	Lempira	4.00
Hong Kong (S)	H.K. $	9.5025
Hungary	Forint	(com) 72.68
		(T/nc) 36.55
Iceland (S)	I. Krona	640.70
India (S)	Ind. Rupee	16.0875
Indonesia	Rupiah	1,249g
Iran	Rial	157.985
Iraq	Iraq Dinar	0.5916
Irish Rep (k)	Irish £	1.00
Israel	Israel £	38.2792
Italy	Lira	1,677.25
Ivory Coast	C.F.A. Franc	425.25
Jamaica (S)	Jamaica Dollar	3.387.40
Japan	Yen	395.5
Jordan (S)	Jordan Dinar	0.585 (sg)
Kampuchea	Riel	2398.2
Kenya (S)	Kenya Shilling	14.9652
Korea (Nth)	Won	1.76
Korea (Sth)	Won	971.15
Kuwait (Sth)	Kuwait Dinar	0.545
Laos	Kip Pot Po	799.4
Lebanon	Lebanese £	6.1065
Lesotho	S. African Rand	1.7548
Liberia	Liberian $	1.9985
Libya	Libyan Dinar	0.5916
Liecht'stn	Swiss Franc	3.3550
Luxembourg	Lux Franc	59.20

Place and Local Unit		Value of £ Sterling
Macao	Pataca	9.9026
Madeira	Portug'se Escudo	95.20
Malagasy Rp.	MG Franc	425.25
Malawi (S)	Kwacha	1.6269
Malaysia (S)	Ringgit	[illegible]
Maldive Is. (S)	Mal Rupee	7.8541
Mali Rp.	Mali Franc	848.50
Malta (S)	Maltese £	0.7550
Martinique	Local Franc	8.4650
Mauritania	Ouguiya	84.59
Mauritius (S)	M. Rupee	11.9135
Mexico	Mexican Peso	[illegible]
Miquelon	C.F.A. Franc	423.25
Monaco	French Franc	8.4650
Mongolia	Tugrik	(O) 6.967 (II)
Montserrat	E. Caribbean $	5.4009
Morocco	Dirham	7.65 (sg)
Mozambique	Moz. Escudo	65.096
Nauru Is.	Aust. Dollar	1.7538
Nepal	Nepalese Rupee	23.982
Netherlands	Guilder	3.9775
Neth. Ant'les	Antillian Guilder	3.5775
New Hebrides	Franc	157.37
	Aust. Dollar	1.7550
N. Zealand (S)	N.Z. Dollar	1.8890
Nicaragua	Cordoba	13.98
Niger Rp.	C.F.A. Franc	425.25
Nigeria (S)	Naira	1.2575 (sg)
Norway	Nrwg. Krone	10.12
Oman Sultanate of (S)	Rial Omani	0.690
Pakistan	Pkst. Rupee	19.7250 (sg)
Panama	Balboa	1.9985
Papua N.G. (S)	Kina	1.3930
Paraguay	Guarani	251.25
P'pl's D. Rp of Yemen (S)	S. Yemen Dinar	(A) 0.6825
Peru	Sol	exc (A) 594.19
Philippines	Ph. Peso	1416.9
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.8890
Poland	Zloty	(Cm) 62.25
		(T) 62.25
Portugal	Pgse. Escudo	95.20
Port Timor	Timor Escudo	95.20
Principe Isle	Pgse. Escudo	95.20
Puerto Rico	U.S. $	1.9985
Qatar (S)	Qatar Ryal	7.66
Reunion Ile de la	French Franc	8.4650
Rhodesia	Rhodesian $	1.3650
Romania	Leu	(cm 8.07
		(n/c) T24.55
Rwanda	Rwanda Franc	182.76

Place and Local Unit		Value of £ Sterling
St. Christopher (S)	E. Caribbean $	5.4009
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	5.4009
St. Pierre	C. F. A. Franc	423.25
St. Vincent (S)	E. Caribbean $	5.4759
Salvador El	Colon	5.57
Samoa (Am.)	U.S. $	1.9985
San Marino	Italian Lire	1,667.25
San Tome	Pgse. Escudo	95.20
Saudi Arabia	Ryal	6.66
Senegal	C.F.A. Franc	425.25
Seychelles	S. Rupee	13.55
Sierra Le'ne (S)	Leone	1.9905
Singapore (S)	Singapore $	4.3195
Solomon Is. (S)	Solomon Is. $	1.7515
Somali Rep.	Som Shilling	(A) 12.5906
Sth. Africa (S)	Rand	1.7548
S. W. African Territories (S)	S. A. Rand	1.7548
Spain	Peseta	139.35
Span. ports in North Africa	Peseta	139.35
Sri Lanka (S)	S. L. Rupee	30.9820
Sudan Rp.	Sudan £	(A) 0.7994
Surinam	S. Guilder	3.5775
Swaziland (S)	Lilangeni	1.7548
Sweden	S. Krona	8.68
Switzerland	Swiss Franc	3.3550
Syria	Syria £	(A) 7.8441
Taiwan	New Taiwan	(P) 71.946
Tanzania (S)	Tan. Shilling	16.00
Thailand	Baht	40.47 (sg)
Togo Rp.	C.F.A. Franc	425.25
Tonga Is. (S)	Pa'anga	1.7515
Trinidad (S)	Trin. & Tobago	4.7994
Tunisia	Tunisian Dinar	0.790 (sg)
Turkey	Turkish Lira	50.10
Turks & C's	U.S. $	1.9985
Tuvalu	Australian $	1.7558
Uganda (S)	Ug. Shilling	14.60
United States	U.S. Dollar	1.9985
Uruguay	Uruguay Peso	(fcm) 14.23
		(fin) 14.21
Utd. A'b Emirs.	U.A.E. Dirham	7.66
U.S.S.R.	Rouble	1.33
Upper Volta	C.F.A. Franc	425.25
Vatican	Italian Lire	1667.25
Venezuela	Bolivar	8.5900
Vietnam	Dong	(O) 4.5567
		(T) 5.978
Virgin Is. U.S.	U.S. Dollar	1.9985
Western Samoa (S)	Samoan Tala	1.4288
Yemen	Ryal	9.03 (sg)
Yugoslavia	New Y Dinar	37.2224
Zaire Rp.	Zaire	3.2955
Zambia	Kwacha	1.5555

* That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa. Rupees per pound. † General rates of oil and iron exports. $3.937. ‖ Based on cross rates against Russian rouble. ** Rate is the Transfer market (controlled). †† Rate is now based on 2 Barbados £ to the dollar. ‡‡ Now one official rate.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	12	½-year	250	3-7
Burnley (0282 25011)	12¾	½-year	500	5-7
Knowsley (051 548 6555)	12½	½-year	1,000	8-10
Poole (02013 5151)	11¾	½-year	500	2-3
Poole (02013 5151)	12¼	½-year	500	5
Poole (02013 5151)	12½	½-year	500	6-7
Reading (0734 592337)	14¼	maturity	1,000	6-7
Redbridge (01-478 3020)	12	½-year	200	4-5
Sefton (051 922 4040)	12	½-year	2,000	3-7
Wrekin (0952 505051)	12½	½-year	1,000	5-10

THE JOBS COLUMN

Time for employers to change their image

BY MICHAEL DIXON

"ESAU my brother is an hairy man, but I am a smooth man." That extract from the Scriptures, which was the text for Alan Bennett's hilarious "sermon" in the 1960s revue Beyond the Fringe, surely typifies the difference in public image between trades union leaders and the representatives of employers' bodies in the United Kingdom.

These paired stereotypes have been appearing on stage, screen and radio for so long that, whenever they are billed to appear before us again, I find myself filled with a desperate hope that this time they will have partaken not wisely but too well of the hospitality of the television studios and, having swapped scripts, are going to play their roles the other way round.

Besides affording a much-needed smile, such a reversal would arguably be a more accurate representation of the actual state of affairs in society.

Take political standpoints, for instance. The present casting identifies Left-wing convictions with the hairy image. But in real life far more of the committed Socialists come from the middle classes associated with the employer figure, than from families with genuine personal experience of what the workers want. If that is not a fact, then why do serious Marxists themselves continually lament it as such?

Moreover, observation suggests that even the moderate spokesmen on the union side often differ in viewpoint from most of the members for whom they notionally speak. By listening to teachers' leaders, for example, one can hardly avoid the impression that 100 per cent of teachers, being excellent at their job, are 30 per cent underpaid. Very much the same figures emerge from my numerous conversations with individual teachers, but not in quite the same way. Their general view is that 30 per cent of their colleagues, being execrable at their job, are 100 per cent overpaid.

Questions

The Esaus, on the other hand, do usually look, sound and behave fairly like the majority of the people whom they are supposed to typify, whereas the same could hardly be said of the smooth fraternity. Of the many employers and managers whom I have come across during a longish life, the bulk dressed, talked and acted much more like the hairy man than the sleek suited gents who tend publicly to represent their interest.

That, viewed in the light of the all too real difference in the weight of living support the two kinds of stereotype are able to deliver at decisive times, raises two questions.

Could it be that the willingness of members of big organisations to stand up and be counted, is little influenced by whether or not most of the members agree with their leaders' political beliefs and, more importantly, public pronouncements? Is it possible that the measure of support depends more on the extent to which a stereotype looks, sounds and acts like a person with whom the majority of members feels able to identify?

Certainly there must be other, deeper influences at work. But public policy can scarcely ever have been so heavily dependent on pressure-group politics, which in turn must depend more than ever before on the way in which the various groups express themselves through the media.

So it seems probable that the employers' and managers' interest, in particular, could only gain by experimenting with a change. This would be to speculate that, whatever was the case at the Battle of Waterloo, today's economic arguments are unlikely to be won on the playing fields of Eton, and recruit for the management-side groups some spokesmen who clearly have much in common with the majority of the people whom they represent.

As it happens, there are at least two employers' and managers' bodies who have the chance of conducting such an experiment right away.

The first, and by far the bigger, is the National Federation of Building Trades Employers. Its membership of 11,000 small, medium and large concerns, organised in about 200 local associations in 10 different regions, covers an estimated two thirds of the companies involved in this country's construction sector. And it is looking for a new director-general in London to succeed Martin Grafton when he retires in June.

The second of these openings is for someone to take over from Gilbert Lamb, also in London, when he shortly leaves his job as director of the Incorporated Society of British Advertisers. The society is the part of the Advertising Association which represents, not the agencies, media and so on which in their different ways arrange for advertising to appear, but the concerns whose goods and services are advertised. It currently has about 560 member-companies, from small to large.

By contrast with the building employers' federation which has 390 staff split about 50/50 between the capital and the regions, the advertisers' society has only about a dozen permanent employees located in London. Although no salary figures are being disclosed, I would estimate that there is a considerable difference between the jobs in that matter, too. My guess would be a £25,000 to £35,000 range for the chief official of the builders' body, and something of around £12,500 for the counterpart at the advertisers' society.

But both posts seem to have something common in potential as well as in their fringe benefits (which I gather include use of a car and possibly—though no more than that—of a flat).

One year

The shared potential arises from the fact that in each case the elected head of the body holds office for only one year, with the attendant danger that as soon as the elected leader has become identified through the public media with the interest group in question, he or she is replaced by someone else.

In both cases, therefore, the chief permanent official can make a continuing contribution by acting as a public spokesman for the particular association. And it seems to me that there is good reason for "the common touch" to figure high on the list of qualifications being sought by the selectors. (Applications for the National Federation of Building Trades Employers are being handled by Sir Robin Chichester-Clark of Berndtson International, 28 Welbeck Street, London W1M 7PG—telephone 01-935 3470 or 01-486 8281 or 8282. Those for the Incorporated Society of British Advertisers job should be posted, with details of relevant qualifications and experience to Hugh Darby as chairman of the selection committee care of Van den Berghs and Jurgens, Sussex House, Burgess Hill, West Sussex RH15 9AW.)

Plainly, the matter of public image will be only one of the essential criteria. In each post the newcomer will need to demonstrate career success of a level and a kind so as to be professionally as well as personally acceptable to the members of the body concerned. And since both posts call for high-level negotiating, and committee work in the less public enclaves of UK affairs, and in the EEC and other international meeting places, serious candidates will need to be fully conversant with the corridors of power, as well as with day-to-day administration.

Even so, I see no grounds for supposing any more that such skills are to be found only among the smooth men of the nation, and so on behalf of the millions who are so frequently subjected to public presentations of the "two sides of industry," I hereby appeal to the two bodies to look favourably, for a change, on the character of Esau. He, and the majority of the employers and managers who resemble him, have surely been deprived of their public recognition for too long.

APPOINTMENTS

Jack Laird to be Bridon chairman

Mr. Jack Laird has joined the Board of BRIDON and will become chairman following the annual meeting in May. **Mr. Harry Smith** is relinquishing his position as chairman and as a director and will be appointed president. Mr. Smith is chairman of the Rank Organisation.

To take up his new post, Mr. Laird will be resigning as chief executive and from the Board of the STEETLEY COMPANY at the annual meeting in April. **Mr. Tom Boardman**, chairman of Steetley, will then assume executive responsibility for that group.

Other changes at Steetley are **Mr. David Donne** to be deputy chairman; **Mr. Alfred Beard**, managing director responsible for UK and other European operations; **Dr. Bill Gilpin**, technical and development director of the group; and **Mr. Alfred Beard** as chairman of Steetley Chemicals.

★

Mr. L. G. Hall, a director and general manager of the Clerical Medical and General Life Assurance Society, has been elected

Mr. L. G. Hall

chairman of the LIFE OFFICES' ASSOCIATION in place of **Mr. P. W. Sharman. Mr. E. Wynn Owen** has become deputy chairman of the Association.

★

Mr. Alan Taylor has been appointed energy utilisation co-ordinator of VICKERS. He will carry out an evaluation of total energy utilisation in all its forms throughout Vickers UK establishments to enable each plant to improve energy management and provide performance data. Mr. Taylor, who was chairman and managing director of Vickers Scotswood Works, Newcastle-on-Tyne, will be based at the Newcastle office of International Research and Development Company, and will report to **Dr. Bill Willetts**, Vickers assistant managing director.

★

Dr. Norman W. Rogers has been nominated for the position of resident manager Moscow for *JOHN BROWN AND COMPANY* and will shortly be appointed a director of John Brown (Overseas).

★

As the result of a ballot of reinsurance brokers in membership of the BRITISH INSURANCE BROKERS' ASSOCIATION, the following have been re-elected to fill the vacancies on the Brokers' Reinsurance Committee: **Mr. B. H. Jenkinson**, C. T. Bowring and Company (Insurance); **Mr. J. J. Y. Scott**, Fenchurch Reinsurance Brokers; **Mr. A. T. Traill**, Traill Attenborough; and **Mr. D. K. L-White**, Alexander Howden Insurance Brokers. At the recent committee meeting, **Mr. Derek Collins** of Wigham Poland Reinsurance Brokers, and **Mr. Robin Copeland**, Bland Payne Reinsurance Brokers, respectively, were elected chairman and deputy chairman for 1979.

★

The following have joined the Board of SPAR (UK): **Mr. Morton R. Middleditch** (secretary), **Mr. John L. Stanton** (trading), **Mr. Michael A. Stockbridge** (trading) and **Mr. Raymond F. Tucker** (advertising and promotions).

★

Mr. Alan Griffith has been appointed managing director of SINGLE BUOY MOORINGS (DBV) and has relinquished the managing directorship of DAVID BROWN-VOSPER (OFFSHORE) but remains on that board. At David Brown-Vosper (Offshore), **Mr. W. S. Talford** becomes managing director, **Mr. J. B. Gray** financial director. **Sir John Rix** continues as chairman, and **Mr. K. D. C. Ford** joins the board as a non-executive director.

★

Mr. W. R. Alexander has been appointed chairman of DOMNICK HUNTER ENGINEERS in place of the late **Mr. E. C. Glenton. Mr. R. T. Baker** has become deputy chairman and **Mr. B. Thompson** has taken over as managing director from **Mr. K. R. Domnick**, who is moving to the U.S. as president of Domnick Hunter Incorporated, a subsidiary. Mr. Domnick remains a director of the parent concern.

★

Mr. R. A. Davie takes over as managing director of POLYSTYLE PUBLICATIONS this month from **Mr. A. C. Thorn**, who has retired. Mr. Davie was development executive with Argus Press, the parent company.

★

Mr. Frank Bloshill, who joined SWINTON INSURANCE BROKERS (COUNTRYWIDE) in 1971 as general manager, has been made a director with special responsibilities for branch offices. ***Mr. Michael Wheawell***, an internal accountant to the group for ten years, has been appointed financial director.

★

Mr. W. G. F. Didham, a director and deputy general manager of SOUTHERNPRINT, has become general manager in place of **Mr. R. E. L. Pullman**, who has retired. **Mr. G. L. Cannings**, production director, is now deputy general manager and **Mr. B. B. Rowland** has joined the Board as works director. **Mr. J. M. H. Sexton** has become company secretary, **Mr. A. C. Hayter**, marketing manager, **Mr. D. J. Budden**, production manager, **Mr. F. C. Loxton**, acting works manager, and **Mr. C. J. Owen**, assistant marketing manager.

★

Mr. Peter Johnson has been appointed treasurer of REDLAND in succession to **Mr. Adrian Buckley**, who is leaving the company to take up a senior academic post.

★

Mr. Henry R. M. Hodding has been appointed chairman of SAINT PIRAN.

★

Mr. S. J. Murphy has been appointed to the Board of HELICAL BAR and continues as company secretary.

★

Mr. B. R. Marsh, Mr. D. Prince and **Mr. P. B. Watson** have been appointed deputy chairmen of BAIN DAWES and **Mr. F. D. Cash** becomes a director.

★

Mr. A. D. Brazier has been appointed technical director of BUNZL ADHESIVE MATERIALS at Scarborough.

Mr. A. D. Brazier

He was formerly technical marketing manager with National Adhesives and Resins.

★

Mr. Michael Abrahams has been elected president of the BRITISH CARPET MANUFACTURERS' ASSOCIATION.

★

Mr. J. P. Marshall has been appointed to the Board of NORMAN FRIZZELL UNDERWRITING.

★

Mr. Robin Gill, chairman of Standard Industrial Trust, has been appointed a director of HEWLETT-PACKARD.

Whessoe build gas tanks

Whessoe Heavy Engineering (Whessoe Group) has been awarded a storage contract valued at about £1.3m from Amoco (UK). The contract covers fabrication and erection of three 36 metre diameter by 19 metre floating roof tanks each with a storage capacity of 19,000 cubic metres of naphtha; two 16 metre diameter propane spheres, each with storage capacity of about 2,400 cubic metres, and two butane/butylene spheres (11.5 metre diameter and 14.5 metre diameter) with a combined storage capacity of about 2,400 cubic metres.

★

A contract worth more than £2m for the repair and maintenance of Esso rail tank cars has been won by **POWELL DUFFRYN WAGON COMPANY**, Cambrian Works, Cardiff. About 2,000 tank cars are involved and the work is spread over five years. As a result of the order the company's Radyr wagon repair depot will double its capacity, and Powell Duffryn wagon maintenance depots will be established at 10 Esso oil depots and refineries. All major repairs and overhauls will be done at Cambrian works.

★

SULZER BROS. (UK) has received an order worth over £1m from Sim Chem for UKF Fertilisers' new nitric acid plant at Ince. UKF Fertilisers (previously known as Shellstart) have decided to use the Stamicarbon nitric acid process which has a high tail gas temperature of normally 630 deg.C with a possible maximum of 700 deg.C. To accommodate these high temperatures, Sulzer will supply a high temperature expander which has blade cooling.

★

Saudi Airlines has awarded a contract worth £400,000 to **SSI FIX EQUIPMENT** to provide centralised stores and warehouse at Jeddah Airport. The installation which will be supplied and erected by SSI, consists of steel shelving with steel box pallets and trays manufactured to special requirements. SSI Fix Equipment has also won a contract for storage systems worth £150,000. Equipment will be delivered to ordnance depot Liphook and will be distributed by RAOC. The order comprises a shelving system, louvred panels and plastic containers including 8,000 storage containers. The shelving installations are supplied with cladding and security doors.

★

Orders worth over £450,000 have been placed with **GEC-ELLIOTT PROCESS AUTOMATION**—a GEC-Marconi Process Control company—by Leyland Vehicles for a multi-computer system controlling, monitoring and computing test results from rigs at the new technical centre at Leyland.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TRANSPORT

Brakes add power

SAVINGS OF as much as 20 per cent in fuel consumed by city buses are claimed for early models of energy-recuperating equipment based on a method of absorbing braking forces and storing the energy thus absorbed for later use.

Regenerative braking, as this is known, is not a new topic, but the Berlin Technical University's approach, which has been supported by extensive work at Maschinenfabrik Augsburg-Nürnberg, has several novel characteristics. It is to be applied on buses to be put into operation in Berlin over the next several years.

The Institute of Automotive Engineering at the university describes its system as a hydraulic hybrid and has disclosed that 50 units are to be built by MAN for Berlin buses.

That company is presently building prototypes of both double-decker and single-decker buses, incorporating some of the experimental results deriving from the operation over the past several years of a test vehicle.

Regenerative equipment on the buses consists primarily of a hydraulic accumulator and a converter. Using the accumulator, energy can be stored with 99 per cent efficiency and high energy density. At the same time, the continuously variable hydraulic pump/motor reconverts this stored energy simply and efficiently (around 90 per cent). But the diesel engine remains the main energy converter within the propulsion system.

In operation, on braking, a compressor pumps oil from a low-pressure reservoir into a high-pressure container, the pumping power coming from the brake system. This energy is contained while the vehicle is stationery and released when it pulls away into the pump/motor system to provide extra driving power to the road wheels.

Developers anticipate that in later models of the system, fuel economics considerably higher than 20 per cent will be achieved. Other claims for the propulsion system are that MAN has succeeded, in its design, in reducing exhaust emissions of polluting gases by a considerable margin and that driver comfort is very greatly improved, as is that of that passengers.

This stems from the fact that the vehicle starts and stops very smoothly, while the diesel engine is operated under an optimum regime, and is thus far quieter compared with other vehicles in this category.

● ENERGY

Recovering heat from stale air

HEAT WHEELS, which recuperate energy from exhaust air in industrial and large commercial premises, are beginning to be installed around the country in increasing numbers. But so far they have not made their appearance to any great extent in systems designed for domestic use.

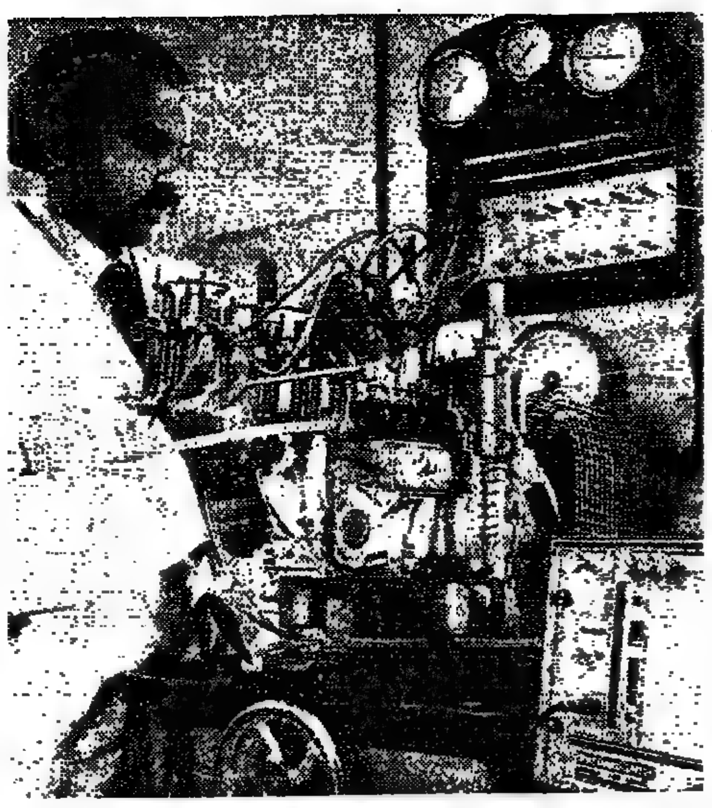
Now, a Norwegian company (Norlett, N-1801, Askim, Norway) has come out with a ventilation / heat recuperation unit which it believes can cut the total energy bill in a home by some 15 per cent, based on the premise that something like 40 per cent of heat supplied to a house is lost through ventilation.

The equipment draws warm air from kitchen, bathroom and toilet facilities through a heat exchanger unit, transferring some 40/50 per cent of the contained energy to incoming fresh air.

When forced ventilation is required, such as when the housewife is having a "cook-in," this is automatically provided and switches off as soon as demand declines. The incoming fresh air is filtered.

Five components include the heat wheel exchanger, stove hood, inlet filter, self-adjusting valves and insulated flexible ducting.

Norlett is seeking a UK representative and claims both low running costs and a short payback time for this heat recovery system.



A diesel fuel injection system undergoing tests in the research laboratories of SGRD (a contract research and development company in the Lucas CAV group) at Park Royal, West London. The latter is using a technique called thin layer activation, a wear measurement technique developed by the Atomic Energy Research Establishment at Harwell, Oxfordshire. At Park Royal a high pressure injection pipe that has had a special "spot irradiation" at Harwell is being run alongside other pipes. As the inside of the pipe is worn away the debris is collected by a filter system. The amount of debris is determined by measuring the level of radioactivity in the filter. From this the wear rate is calculated. At SGRD, wear had been detected to the sensitivity of 0.005 micrograms per hour, using this method. Research staff at Lucas CAV are finding thin layer activation a useful tool for fundamental investigations relating to the wear and lubrication processes in fuel injection systems, and thus a valuable design aid in producing more acceptable systems.

● SAFETY

Preventing boom drops

SWEDISH MAKER of numerical controlled lathes and nibbling machines, SMT-Pullmax AB, has developed a safety system for application to hydraulic hoses, designed originally to meet national safety demands in Sweden and France.

Basic component to the Pullmax safety system is a leak-sensing valve. Applied to the operating systems of such equipment as hydraulic excavators and tractor back-hoes, it will prevent unexpected and dangerous boom drops. It would be suitable for incorporation on many other kinds of heavy duty hydraulic units.

The controller will fit easily to all types of hydraulic cylinders and control systems—double or single — acting cylinders with manual or pilot-operated control valves.

An additional function of the equipment is manually operated locking, preventing the creep caused by internal leakage on a machine used for lifting operations.

More information on the ment from SMT-Pullmax, Fack, 401 10 Gothenburg, Sweden.

● PROCESSING

Weight indicator

AN EIGHT-CHANNEL indication unit driven by a microprocessor and intended for processing weighing has been introduced by Bofors Electronics for use with the company's KIS shear force load cells.

Known as the BD44 the unit complies with appropriate European specifications and is designed to use zener barriers in "zone one" intrinsically safe areas. With the shear force cell, bulk storage, batching and blending operations can be carried out up to 1200 tonnes to system accuracies of better than 0.1 per cent.

Use of the micro enables a number of built-in facilities to be provided including gross and nett weight on a six decade display, push-button tare, in motion detection (no read-out until any load incrementing has stopped), zero maintenance, true zero indication, scale selection, electronic calibration and automatic fault diagnosis.

● TEXTILES

Coping with big hanks of yarn

THROUGHOUT the textile industry there is a general trend towards larger packages and larger rolls of yarns or fabrics. In the carpet trade bigger yarn packages have come to be accepted and although much of production is still visibly traditional, the units being handled are very much bigger than ever before. A simple move towards a bigger unit weight brings appreciable economies.

In yarn processing, for example, skein dyeing has long been accepted, with comparatively small hanks of yarn being handled. In the final stage these have been rewound from hank to bobbin and when one hank is rewound it is tied to the end of the next one. This means handling many small packages and incorporating knots into yarn that needs to be as free from them as possible.

Normally yarn will be dyed in hank as it ensures even coloration of the strands throughout. These are then given ahydro-extraction after a rinse, before being dried.

With the move towards bigger and bigger packages there has come a need for a specially designed dryer that can cope with bundles of yarn that are longer and heavier than ever before. These are commonly known as jumbo hanks.

A machine has been developed in Leeds by A. N. Marr. (Selling agent: Border Textiles (UK), Blakehill Works, Bradford Road, Idle, Bradford. Tel. 0274 61321) which is a company long known in the carpet trade and among the Yorkshire dyers for its drying equipment.

The new Marr machine can handle hanks up to 5 kg dry weight at a rate of some 1,000 kg/hour and with energy savings of up to 75 per cent compared with earlier types of machines.

Wet hanks of yarn are loaded on to a monorail conveyor that makes six passes through the chambers of the machine emerging completely dry and ready to be doffed at the other end. It is claimed that only about ¾ lb of steam is required by the new machine to dry 1 lb of wet yarn.

By introducing a series of special baffles in the chambers so that they just touch the bottom of the hanging hanks of yarn, and by blowing hot air along the chamber, the drying atmosphere is forced to pass through the hanks.

With these new giant machines the yarns will have a dwel lin the chamber of some 2-2½ hours and the drying can be adjusted accurately between from 50 per cent down to 15 per cent regain.

Unlike the old "pole" dryers the new machine does not require that hanks be turned to avoid uneven drying and when the hanks emerge from the chamber their moisture content is quite evenly distributed throughout the entire length of yarn.

The machines are built with various capacities—400, 550, 700, 850 and 1,000 kg/hr, with installed power requirements of 30, 40, 40, 50 and 55 kW respectively.

Because of the improved design of the stainless steel conveyor units the yarns are much more gently handled. Unlike the compression effects encountered with some other drying systems, this leads directly to a more tangle-free unwinding on to cones and so reflects in a very much improved winding room efficiency.

Tension will remain constant

IN TEXTILES the rate of manufacture in all sectors continues to rise and the size of packages of both yarn and fabric increase at a similar rate. With these higher speeds come demands on machinery that often call for radical solutions.

In winding there are various requirements that have to be met, the most common being a call for a constant yarn winding speed. With sewing threads, however, tension is often a more serious aspect of the process and while a high winding speed is required, it is often more important to maintain a constant tension.

Recently the American sewing thread manufacturer, Standard Coosa Thatcher, required a special multi-head winding machine that would take spun polyester threads through a fluid bed heat treatment process at a constant temperature.

After attempting to build a machine using a mild steel traverse, which had too high a mass, and then trying steel wire which was too weak, a solution was found in CFRP—carbon-fibre reinforced-plastic. A 100-head machine was developed by Shirley Institute (Didsbury, Manchester M20 8RX. Tel. 061 455 8141) and has been supplied to the U.S. where it is found to operate efficiently and at very high speeds, but it additionally gives an improved yarn package.

The new material, into which Shirley has directed a substantial amount of effort, is both lighter and stiffer than other materials and although initially more expensive in terms of materials, because of the hot moulding techniques used, the final cost of the machine component is similar to one made from, say, mild steel.

As a result the machines are able to operate with improved performance and offer an extended life of the traverse mechanism.

● DATA PROCESSING

Quick information on chemicals

FIRE BRIGADES at the scene of chemical emergencies can gain direct computer access to essential data through Hazfile, an information retrieval system being launched jointly by the National Chemical Emergency Centre at Harwell and the Home Office.

The system, which will be available for on-line telephone access 24 hours a day, is to be mounted and stored by BOC Datasolve. It will enable firemen at the scene of an incident to obtain information in the shortest possible time when the product manufacturer cannot readily be contacted or identified and will provide access to more than 10,000 chemical and trade-name entries.

This information retrieval system, which Hazfile uses, is based on the STATUS II system developed by Harwell for various information retrieval applications. It is also available as part of BOC Datasolve's own service.

Hazfile will be complementary to the existing manned telephone service provided by the Chemical Emergency Centre as a long stop in the chemical industry scheme for assistance in freight emergencies — Chemsafe.

It will operate initially on a one year pilot scheme basis, during which it will be accessible to selected fire brigades in England, Scotland and Wales.

Datasolve House, 99, Staines Road West, Sunbury-on-Thames, Middlesex. Sunbury 85566.

● COMMUNICATIONS

Checks what callers say

DOUBLE Check System 1690 is a telephone recording system that engages the caller in a conversation and then offers him an opportunity to verify the information transmitted.

Introduced by Dictaphone Corporation, the new desktop terminal, which runs on standard cassettes, is designed for such users as banks, catalogue merchandisers, retailers, distribution centres and others relying heavily on the telephone to transact business.

Double Check serves the user to answer the call, ask a series of questions and after the last provide the option of the caller's listening to the recording just made.

After playing back the recording, the caller may amend the information while still on the line.

Dictaphone, 120 Old Post Road, Rye, New York 10580, US.

● COMPONENTS

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Early Wall St. fall on interest rate concern

INVESTMENT DOLLAR PREMIUM

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STOCKS ON Wall Street declined in light trading yesterday morning on concern and confusion about the outlook for interest rates.

The Dow Jones Industrial Average reacted 3.81 to 833.68 and the NYSE All Common

Closing prices and market reports were not available for this edition.

Index lost 19 cents to $55.66, while declines outpaced rises by nearly a two-to-one ratio. Trading volume contracted to 14.32m shares from last Friday's 1 pm level of 17.60m.

Analysts said that although U.S. money growth has slowed, the Federal Reserve might be forced to tighten credit to support the dollar. The dollar weakened last week on fears that the Bundesbank might be unwilling to support the dollar in 1979 to the extent it did in 1978.

President Carter's fiscal 1980 U.S. budget contained no surprises, analysts added, but many investors might stay on the sidelines ahead of the State of the Union message, due tonight.

Glamour and Blue Chip issues were mostly weaker, but Golds advanced as the price of bullion rose sharply. **Dome Mines** gained 1¼ to $80 and **Campbell Redlake Mines** $1 to $33¼, but **IBM** slipped ½ to $306¾, **Du Pont** ½ to $133¾, **Boeing** ¾ to $76¼ and **Polaroid** ½ to $52¼.

Carrier eased ½ to $25¼. The Securities and Exchange Commission is investigating United Technologies' bid for Carrier. **United Technologies** receded ⅝ to $38¼.

UV Industries, after last week's advance, shed ½ to $30½. The company plans to liquidate.

Burlington Northern's fourth quarter net profits declined slightly and it lost $1¼ to $38½.

Eli Lilly fell $1¾ to $48⅝. The Food and Drug Administration's drug abusive advisory committee is to review Lilly's analgesic "Darvon."

Levi Strauss jumped 2⅜ to $42¼. It is to tender for 2m of its shares at $43.50 each.

Seaboard World Airlines climbed 1¼ to $14⅝. It said Tiger International's bid of $12.30 per share for more Seaboard shares is inadequate and it has hired an investment banker to find another merger partner.

THE AMERICAN SE Market Value Index shed 0.65 to 160.39 at 1 p.m. in a thin business. Volume 1.36m shares (1.75m).

Volume leader **Resorts International "A"** declined 1¼ to $32⅞, **Amdahl** $1 to $46⅜ and **Houston Oil and Minerals** ⅜ to $17¼.

California Computer Products eased ¼ to $6⅜. The company is selling most of the assets of its Memory Products subsidiary to Xerox for $25m. **Xerox** lost ¾ to $58¼ in New York stock exchange trading.

Canada

Shares displayed an easier bias in moderate early trading, mirroring the trend on the New York stock market.

The Toronto Composite Index dipped 1.7 to 1,362.7, while Oils and Gas came back 5.5 to 1,902.3. Metals and Minerals 2.4 to 1,216.2 and Utilities 1.15 to 197.94. Golds, however, moved ahead 14.9 to 1,513.8, while Banks added 1.31 at 319.03 and Papers 0.94 at 159.22.

Celanese Canada, which reported higher year earnings, added 5 cents at C$4.75.

Weldwood rose ⅜ to C$21⅞. The company reported sharply higher annual profits last Friday.

Domtar, C$24⅞, and **Consolidated-Bathurst "A,"** C$13, each gained ⅛.

Tokyo

Profit-taking again eroded an early market improvement, leaving gaining issues holding just a slight lead over declines at the close following a fairly active trade. Volume 380m shares (400m).

The Nikkei-Dow Jones Average was a marginal 1.49 up on the day at 6,107.62.

Coals rose, with investors anticipating a tight supply of oil, while Textiles strengthened on good earnings prospects.

Steels and Heavy Electric Machines made headway on institutional buying, with **Kobe Steel** rising Y4 to Y129, **Sumitomo Coal** Y7 to Y120, **Toho Rayon** Y10 to Y289 and **Mitsubishi Electric** Y2 to Y198.

Some export-orientated issues rose initially, reflecting the dollar's recovery in Tokyo, but tended to slip back later on profit-taking to end on a mixed note. **TDK Electronics** were Y20 up at Y1,940 but **Sony** lost that amount to Y1,720.

Oils, Public Works issues and Shippings closed lower on profit-taking.

Germany

Still depressed by the latest Bundesbank measures to curb money supply, stocks tended to lose further ground yesterday, with the Commerzbank index receding 5.4 more to 820.9.

Dresdner Bank led the major Banks lower with a fall of DM 3.50, while Insurances had **Allianz Versicherung** down DM 6.00.

BMW declined DM 2.00 in Motors, while in Engineerings, **Linde** lost DM 2.50. **Mannesmann** shed DM 2.20, but **Metallgesellschaft** rose DM 4.00 and **Suedzucker** DM 5.00.

Public Authority Bonds registered further losses ranging to 60 pfennigs, while the Bundesbank purchased DM 33.1m nominal of stock (DM 27.1m). Mark Foreign Loans were mixed.

Paris

Bourse prices mainly declined in quiet trading, reflecting adjustment of positions on the last day of the monthly settlement account as well as the unstable political situation in Iran which pushed the price of gold to a new all-time record high of FFr 36,650 per kilo for the 12-kilo gold bar.

Foods, Motors, Rubbers, Mechanicals, Chemicals and Public Works issues were the weakest sectors, but Investment and Finance Houses were among the few shares to score gains.

Outstandingly lower were **Moet Hennessey, UFB, Poliet, Babcock, Sagem, Bail-Investissement, Paris-France, Roussel, UTA, Puk, Thomson Brandt, Saint-Gobain, Poclain, Pechiney, BIC and Carrefour.**

Hong Kong

Market softened in a small turnover, depressed by a larger December visible trade deficit. The Hang Seng index shed 4.39 to 531.25.

Hong Kong Bank declined 10 cents to HK$18.50, **Hongkong Land** 15 cents to HK$8.05 and **Jardine Matheson** 20 cents to HK$11.80, while **Swire Pacific "A"** receded 20 cents to HK$8.30 and **Hutchison Whampoa** 2½ cents to HK$4.30.

Australia

Mining stocks were inclined to make fresh headway, with Copper issues particularly in demand, sentiment boosted by the recent strength of base metal prices. Oils also tended to improve, but Industrials could only manage a mixed performance.

Among Minings, **MIM** advanced 11 cents to A$2.97, while **Bougainville Copper** rose 7 cents to A$1.89 and **Pacific Copper** 4 cents to 92 cents. **Renison Tin** moved ahead 30 cents to A$10.20 and **Hamersley** 3 cents to A$2.25.

In the Uraniums sector, **Pancontinental** attracted Overseas interest and climbed 30 cents to A$10.50, while **EZ Industries** added 10 cents at A$3.35.

Diamond exploration issues drew little support and **CRA** were unaltered at A$3.65, but **Spargos Exploration** put on 3 cents to 41 cents.

Gold mining stock **Central Norseman**, after last week's advance, fell victim to profit-taking and retreated 80 cents to A$17.20.

On the Industrial boards, market leader **BHP** recouped an early loss of 6 cents to finish unchanged on balance at A$9.78.

Small mixed movements occurred in Banks.

Switzerland

Easier-inclined, unsettled by Press reports of exchange rate-induced difficulties affecting exporters and the likelihood of short-time working at Sulzer.

However, **Sandoz** gained 15 to SwFr 4,040 and **Interfood "B"** 75 to SwFr 4,125.

Domestic and Foreign bonds were steady in thin dealings.

Milan

Shares generally moved further ahead.

Olivetti Privileged climbed 92 to L1,278 and **Snia Viscosa** 20 to L870.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
Φ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m% tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. ‡ Traded. ¶ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Indices

NEW YORK —DOW JONES

	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 12	1978-79 High	1978-79 Low	Since Compilat'n High	Since Compilat'n Low
♦Industrials	837.49	833.14	834.26	835.59	846.67	838.28	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.20	84.45	84.16	84.15	84.09	84.11	89.86 (4/1/78)	84.09 (16/1/79)	—	—
Transport	219.86	218.82	216.50	216.89	218.79	217.97	261.49 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	102.49	102.57	102.20	101.88	102.16	102.60	110.98 (5/1)	97.75 (20/12)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	26,600	27,260	26,310	30,420	27,880	37,280	—	—	—	—

♦ Day's high 846.67 low 833.94

	Jan. 12	Jan. 5	Dec. 29	Year ago approx.
Ind. div. yield %	5.80	5.84	6.03	5.93

STANDARD AND POORS

	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 12	1978-79 High	1978-79 Low	Since Compilat'n High	Since Compilat'n Low
‡ Industrials	111.15	111.10	110.82	110.84	112.59	114.41	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	99.75	99.72	99.48	99.48	100.69	99.95	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/63)	4.40 (1/6/32)

	Jan. 18	Jan. 10	Jan. 3	Year ago (approx.)
Ind. div. yield %	4.97	4.91	5.04	5.15
Ind. P/E Ratio	9.01	8.95	8.84	8.74
Long Gov. Bond yield	8.97	8.98	8.96	8.17

N.Y.S.E. ALL COMMON

Jan. 19	Jan. 18	Jan. 17	Jan. 16	1978-79 High	1978-79 Low
55.85	55.81	55.64	55.65	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Jan. 19	Jan. 18	Jan. 17
Issues Traded	1,859	1,845	1,849
Rises	806	908	591
Falls	599	536	857
Unchanged	454	401	401
New Highs	—	22	17
New Lows	—	10	15

MONTREAL

	Jan. 19	Jan. 18	Jan. 17	Jan. 16	1978-79 High	1978-79 Low
Industrial	229.76	229.10	227.29	228.36	229.76 (19/1/79)	162.30 (15/2)
Combined	233.75	233.58	231.86	232.98	233.75 (19/1/79)	170.82 (30/1)
TORONTO Composite	1364.4	1360.5	1351.7	1355.4	1364.4 (19/1/79)	998.2 (30/1)
JOHANNESBURG Gold	272.6	262.9	260.9	261.2	272.6 (19/1/79)	186.0 (28/4)
JOHANNESBURG Industrial	297.2	295.5	297.4	294.8	297.4 (17/1/79)	194.9 (13/3)

	Jan. 22	Pre-vious	1978-9 High	1978-9 Low
Australia(¶)	559.46	558.34	559.46 (22/1/79)	411.19 (1/3)
Belgium (‖)	101.61	101.54	102.85 (15/1/79)	90.46 (25/6)
Denmark(**)	89.89	90.85	98.36 (14/6)	88.08 (30/10)
France (††)	78.8	79.0	83.0 (4/10)	47.6 (3/2)
Germany(‡‡)	820.9	826.30	883.3 (19/10)	769.4 (17/6)
Holland (§§)	85.5	85.8	93.1 (11/9)	78.0 (4/4)
Hong Kong (¶¶)	531.25	535.64	707.70 (4/9)	383.4 (13/4)
Italy (‖‖)	72.44	71.85	82.25 (25/9)	55.46 (10/1)
Japan (a)	459.11	458.63	460.15 (16/1/79)	384.04 (4/10)
Singapore(b)	355.51	357.95	414.50 (8/9)	282.0 (9/1)
Spain (d)	(c)	94.72	98.79 (2/1/79)	93.06 (12/1/79)
Sweden (e)	378.71	378.55	[illegible] (14/8)	[illegible] (3/1)
Switzerld(f)	308.0	308.5	325.7 (14/2)	281.8 (26/9)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. x Unavailable.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
UV Indust.	626,300	30½	+3
Eli Lilly	509,400	50	−1¼
Fla. Pwr. Lt.	472,000	25¼	−¾
Texaco	297,600	24¾	−¼
Rorer Group	281,500	18¾	+1¾
Phillips Pet.	279,100	30	+1¼
Gen. Motors	240,100	57¾	+½
Transworld	230,200	18¾	−⅜
Ramada Inns	181,100	11¾	−⅛
Hart-Schaf.	159,900	14¾	+¾

NEW YORK

Stock	Jan. 19	Jan. 18
Abbott Labs.	35⅛	35⅛
AM International	23⅞	24⅛
Aetna Life & Cas.	40⅝	40⅞
Airproducts	26	25¾
Alcan Aluminium	36	35⅝
Alcoa	50	50¼
Alleg. Ludlum	17	16¾
Allegheny Power	16⅝	16¼
Allied Chemical	29⅝	29¼
Allied Stores	22⅝	22⅝
Allis-Chalmers	30⅛	30⅛
AMAX	49⅝	49¼
Amerada Hess	26½	27⅛
Amer. Airlines	14¼	14¼
Amer. Brands	48½	49
Amer. Broadc'st.	36¼	35¾
Amer. Can	36¾	36¼
Amer. Cyanamid	25⅝	25⅝
Amer. Dist. Tel	23⅞	24
Amer. Elect. Pow	22¼	22⅛
Amer. Express	32	31¾
Amer. Home Prod	27¼	27⅛
Amer. Medical	33	34
Amer. Motors	6¼	6⅝
Amer. Nat. Res.	38	38⅛
Amer. Standard	43	42¾
Amer. Stores	32¼	31¾
Amer. Tel. & Tel.	61⅛	61⅛
Ametek	31	30⅞
AMF	17½	17⅛
AMP	34⅝	34¼
Ampex	16¾	16⅝
Anchor Hocking	27⅛	27⅛
Anheuser Busch	25⅝	25½
Armco	21⅛	21⅛
A.S.A.	25¼	25¼
Asamera Oil	16⅞	16⅝
Asarco	17⅛	16¼
Ashland Oil	34½	34½
Atl. Richfield	57⅝	57⅛
Auto Data Pro.	30¼	30⅞
AVC	9⅛	9¼
Avco	22¼	22⅛
Avon Products	53¾	53¾
Balt. Gas Elect.	25	25⅛
Bangor Punta	22⅝	22¾
Corning Glass	57¾	58½
CPC Int'rn'tional	50½	50
Crane	28½	28½
Crocker, Natl.	27⅞	28
Crown Zellerb'h.	32⅝	32
Cummins Engine	36	35¾
Curtiss Wright	15⅝	15¼
Dana	29¼	29⅛
Dart Industries	40⅝	40¼
Deere	36⅝	36⅛
Del Monte	46	46¼
Deltona	10⅝	10
Dentsply Int.	16⅞	16
Detroit Edison	14¾	14¾
Diamond Shmrk	19½	19¾
Dictaphone	26⅝	26⅜
Digital Equip.	56⅜	56½
Disney (Walt)	43⅛	43¼
Dover Corp'n	41¾	41¾
Dow Chemical	28	28⅛
Dravo	28	28
Dresser	37⅝	37
Dupont	134¼	137⅛
Eagle Pitcher	21	21
East Airlines	10	10
Eastman Kodak	61⅝	61⅞
Eaton	37	37
E. G. & G.	29¼	29⅝
El Paso Nat. Gas	15⅞	15⅞
Eltra	28⅞	29⅝
Emerson Electric	37¼	37
Emery Air Freight	19⅝	19⅛
Emhart	37	37¼
E.M.I.	2¾	2¾
Engelhard	31⅛	31½
Esmark	24¼	24½
Ethyl	23⅝	23¼
Exxon	49⅛	49
Fairchild Camera	31	31¾
Fed. Dept. Stores	31⅝	31⅜
Firestone Tire	12⅞	12½
Fst. Nat. Boston	27⅛	27¼
Flexi Van	15¾	16
Flintkote	30	30
Florida Power	31½	31⅛
Fluor	36	36⅛
Johns Manville	24¼	
Johnson Johnson	76½	
Johnson Control	27	
Joy Manufacturg	32	
K. Mar Corp	23½	
Kaiser Alumini'm	18⅛	
Kaiser Industries	2⅛	
Kaiser Steel	21½	
Kaneb Services	13⅞	
Kay	14	
Kennecott	21½	
Kerr McGee	46⅝	
Kidde Walter	29½	
Kimberley Clark	44	
Koppers	20	
Kraft	46	
Kroger Co.	36½	
Leaseway Trans.	21½	
Levi Strauss	39⅝	
Libby Ow. Ford	24⅞	
Liggett Group	35⅝	
Lilly (Eli)	55	
Litton Industries	21¼	
Lockh'ed Aircrft	22¼	
Lone Star Ind'sts	21⅞	
Long Isl'nd Ltd.	17½	
Louisiana Land	23¼	
Lubrizo	47	
Lucky Stores	15⅝	
Lykes Corpn	8⅝	
MacMillan	11⅝	
Macy R.H.	35⅝	
Mfrs. Hanover	33	
Mapco	27½	
Marathon Oil	56	
Marine Midland	16⅝	
Marshall Field	16¾	
May Dept. Stores	24⅝	
MCA	45⅛	
McDermott	21¾	
McDonnell Doug.	33¾	
McGraw Hill	30¾	
Memorex	33	
Merck	59½	
Merrill Lynch	17½	
Mesa Petroleum	34⅞	
Revlon	53⅛	52¾
Reynolds Metals	35½	35¾
Reynolds R.J.	55¾	55¾
Rich'son Merrell	23⅞	23⅞
Rockwell Inter.	36½	36⅛
Rohm & Haas	36⅞	37
Royal Dutch	64¾	65⅛
RTB	12⅝	12⅝
Ross Togs	10⅛	10⅝
Ryder System	23⅞	23⅝
Woolworth	21	21
Wyly	5¼	5
Xerox	58⅞	59¼
Zapata	13	12⅞
Zenith Radio	14⅝	14½
U.S. Treas.4% '80	†94⅜	†94⅜
USTreas4¼%75/85	†78⅛	†78⅛
U.S. 90-day bills	9.46%	9.46%
ComputerScienc	12¾	12⅞
Conn Life Ins.	35¾	35¾
Conrac	13⅞	14⅛
Con. Edison NY	24	24
Consol Foods	22⅞	23⅛
Consol Nat Gas	37¼	37
ConsumerPower	22⅜	22⅝
Continental Grp.	28½	28⅜
Continental Oil	29⅛	28¾
Continental Tele	15½	15⅛
Control Data	36¼	35⅞
Cooper Indus	49¼	49¾
IBM	306.75	309
Intl. Flavour	25	25⅛
Intl. Harvester	37¼	36⅝
Intl. Min & Chem	37½	38
Intl. Multifoods	19⅛	19¾
Inco	18⅛	18⅛
Intl. Paper	39¼	39½
Intl. Rectifier	12½	12⅝
Intl. Tel & Tel.	29¾	30
Iowa Beef	44⅝	42½
IU International	10¾	10¾
Jim Walter	27¾	28¼
Potomac Elec.	14⅛	
PPG Industries	27	
Procter Gamble	87¾	
Pub. Ser. Elect.	21¼	
Pullman	36¼	
Purex	16	
Quaker Oats	24½	
Rapid American	15⅛	
Ratheon	50⅛	
RCA	26⅝	
Republic Steel	26⅞	
Resorts Intl.	34⅛	

CANADA

GERMANY ♦

TOKYO ¶

AUSTRALIA

BRAZIL

AMSTERDAM

BRUSSELS/LUXEMBOURG

OSLO

JOHANNESBURG

COPENHAGEN ♣

SWITZERLAND Φ

PARIS

VIENNA

MILAN

STOCKHOLM

SPAIN ♥

Securities Rand $US0.64 (Discount of 44.4%)

Source Nikko Securities, Tokyo

BASE LENDING RATES

A.B.N. Bank	12½%
Allied Irish Banks Ltd.	12½%
Amro Bank	12½%
American Express Bk.	12½%
A P Bank Ltd.	12½%
Henry Ansbacher	12½%
Associates Cap. Corp.	12½%
Banco de Bilbao	12½%
Bank of Credit & Cmce.	12½%
Bank of Cyprus	12½%
Bank of N.S.W.	12½%
Banque Belge Ltd.	12½%
Banque du Rhone et de la Tamise S.A.	13 %
Barclays Bank	12½%
Barnett Christie Ltd.	13½%
Bremar Holdings Ltd.	13½%
Brit. Bank of Mid. East	12½%
■ Brown Shipley	12½%
Canada Perm't Trust	12½%
Cayzer Ltd.	12½%
Cedar Holdings	12½%
■ Charterhouse Japhet	12½%
Choulartons	12½%
C. E. Coates	12½%
Consolidated Credits	12½%
Co-operative Bank	*12½%
Corinthian Securities	12½%
Credit Lyonnais	12½%
Duncan Lawrie	12½%
The Cyprus Popular Bk.	12½%
Eagil Trust	12½%
English Transcont.	12½%
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12½%
Greyhound Guaranty	12½%
Grindlays Bank	12½%
■ Guinness Mahon	12½%
■ Hambros Bank	12½%
■ Hill Samuel	§12½%
C. Hoare & Co.	†12½%
Julian S. Hodge	13½%
Hongkong & Shanghai	12½%
Industrial Bk. of Scot.	12½%
Keyser Ullmann	12½%
Knowsley & Co. Ltd.	14½%
Lloyds Bank	12½%
London Mercantile	12½%
Edward Manson & Co.	13½%
Midland Bank	12½%
■ Samuel Montagu	12½%
■ Morgan Grenfell	12½%
National Westminster	12½%
Norwich General Trust	12½%
P. S. Refson & Co.	12½%
Rossminster	12½%
Royal Bk. Canada Tst.	12½%
Schlesinger Limited	12½%
E. S. Schwab	13½%
Security Trust Co. Ltd.	13½%
Shenley Trust	14 %
Standard Chartered	12½%
Trade Dev. Bank	12½%
Trustee Savings Bank	12½%
Twentieth Century Bk.	13½%
United Bank of Kuwait	12½%
Whiteaway Laidlaw	13 %
Williams & Glyn's	12½%
Yorkshire Bank	12½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month deposits 10¼%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10½% and over £25,000 10¾%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 10%.

COMMODITIES AND AGRICULTURE

Farm rents criticised

By John Cherrington, Agriculture Correspondent

AGRICULTURAL RENTS and the Green Pound are of particular concern to the annual general meeting of the National Farmers' Union, which opens at the Central Hall Westminster today.

A composite resolution calls for "an urgent change" in the criterion used to fix rents by arbitration. At present these are based on open market rents offered by farmers when tendering for new lettings. Farmers argue that these are often set unrealistically high by bidders who are offering what amounts to key money for the few farms offered.

This matter is probably of more importance to farmers than the call for a further devaluation of the Green Pound which is one of the main resolutions before the meeting. This call has been repeated by the NFU *ad nauseam* for a long time now, but a Green Pound devaluation could be the only way in which UK farm prices will be revised this year.

This will be the last meeting presided over by Sir Henry Plumb, the president, who has announced his retirement. He is almost certain to be succeeded by his deputy, Mr. Richard Butler.

Israel citrus harvest halted

TEL AVIV — Picking and loading of citrus fruit in Israel has been suspended since the beginning of the week following the onset of heavy rains.
Reuter

New copper price peak as stocks fall again

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER VALUES advanced to new 20-month highs on the London Metal Exchange yesterday, folowing another steep fall in warehouse stocks and further rises in U.S. domestic prices. Cash wirebars closed £9.25 up at £852.75 a tonne after a day of active trading with most of the buying interest, however, coming from speculators. In fact, profit-taking sales came in at the higher levels and the market eased in late kerb trading.

The fall in warehouse stocks of 21,925 tonnes cut total holdings to 330,850 tonnes — the lowest level since July 1975 and a decline of more than 45,000 tonnes since the New Year.

Although the stocks fall was in line with market expectations, it nevertheless emphasised the firm undertone.

Also underpinning the market yesterday was news that Newmont Mining had raised its U.S. domestic copper price for cathodes by 2 cents to 77 cents a pound, while Noranda of Canada lifted its U.S. copper selling price by a similar amount.

Noranda also raised its U.S. lead price by 2 cents to 42 cents a pound. Similar increases were announce by Cominco and St. Joe.

London lead values rose in the morning, but were later cut back by profit-taking sales. As a result cash lead closed £1 lower at £500 a tonne, despite a bigger than expected decline in warehouse stocks of 1,100 tonnes cutting total holdings to 14,550 tonnes.

The three months quotation for lead, however, rose to a new peak of £472.5 a tonne, despite falling in late trading as a result of profit-taking and some "short" selling.

Zinc prices gained ground. The cash price closed £4.5 up at £373.5 a tonne, although as expected stocks rose by 900 to 68,375 tonnes. Several more producers announced a rise in their European producer price of $40 to $760 a tonne, following the lead set by Pennaroya a week ago.

Some big producers, notably Metallgesellschaft, have stayed at $720 but the majority are now charging $760. Asarco announced on Friday a rise in its U.S. domestic price of 1 cent to 35.50 cents for prime western grade zinc.

Meanwhile it was reported in New York that talks are to start today seeking an end to the eight-month-old strike at St. Joe Zinc's Balmat Ewards mining division.

Tin stocks suffered a bigger than expected decline, falling by 325 to 1,500 tonnes. This was offset by the Penang market losing M$26 to M$1,775 a picul over the weekend and news that the U.S. Budget includes a request to Congress for $60m to purchase surplus tin from the stockpile as a contribution to the International Tin Council buffer stock.

Wheat pact trigger price agreed

BY SRIJ KHINDARIA IN GENEVA

THE U.S. and the EEC have taken an important step towards a new international agreement for regulating world trade in wheat, Mr. Arthur Dunkel, international wheat conference chairman said here yesterday.

As 70 national delegations gathered at the beginning of a new two-week session of talks aimed at renewing the 1971 agreement which expires at the end of June, Mr. Dunkel said the U.S. and the EEC were understood to have reached "the basis for agreement" on one of the new arrangement's trickiest points—the price that will trigger reserve stock buying.

The two delegations have agreed that buying should begin when the average world market price for a basket of eight qualities of wheat falls below $140. The basket includes one Australian, one Common Market, two Canadian, and four U.S. wheats.

At this point buying would be limited to half the stock levels agreed separately. The second half would be filled if the basket price fell to $125.

There is no firm agreement yet between the U.S. and the Community on the size of total stocks to be held and the share-out of these stocks among countries participating in the accord. Nor is there accord about the upper price point which would trigger sales

The U.S. wants the nationally held stocks under the arrangement to total 30m tonnes, while the Common Market has been arguing for 15m tonnes. The expectation is that the final figure will be nearer the American demand.

Chinese boost for Australian wheat

SYDNEY — Australia has clinched a $900m deal to supply 7.5m tonnes of wheat to China over the next three years.

The contract is the largest agricultural export deal obtained by Australia and its first long-term agreement with China. News of the contract topped the announcement last week that the Chinese had agreed to take 2.5m tonnes in 1979.

The agreement, which has already been signed, has been extended to cover 1980 and 1981.

The quantities are to be determined at a later date but the Australian Wheat Board (AWB) is confident that China will take 2.5m tonnes of wheat each year. The Board had been negotiating since last November when early talks with China broke down, mainly over the price.

The price in the latest contract has not been disclosed but it is believed to be around A$110 a tonne—about 10 per cent below the current world price.

The sale is timely because the AWB expects a carryover at the end of the season of between 6m and 7m tonnes.

A reasonably large carryover is necessary, however, to ensure that Australia can fulfil its export commitments and maintain its reputation as a reliable supplier.

Our Peking correspondent writes: Mr. Cliff Semmler, the deputy general manager of the AWB, said here before his mission returned to Australia: "The long-term prospects are very encouraging. Australia could be in the front seat for many years."

The long-term agreement lifts Australia's prominence in a market which had seemed threatened by the increasing participation of the U.S. and Canada. The U.S. has sold China about 5m tonnes in the current year and Canada hopes to sign a three-year deal next month worth about $1bn.

Fisheries ultimatum for UK

By Margaret Van Hattem in Brussels

The EEC Commission has given the British Government two weeks to modify national fisheries measures which it considers contrary to EEC rules. Otherwise, proceedings will be opened in the European Court of Justice.

The measures in question concern bans on herring catches in the Mourne fisheries area off the coast of Northern Ireland, and around the Isle of Man—except for certain UK vessels. They also include an extension of the area known as the Norway Pout Box where industrial fishing, mainly by Danish vessels, is banned.

Whereas the British claim that the measures are designed to preserve endangered stocks of edible fish, the Commission considers the first two to be discriminatory in favour of British fishermen, and the third to be unnecessary.

Under the terms of an EEC agreement reached in The Hague in 1976, a country can introduce national measures in the absence of a Community regime, but only if they are demonstrably urgent, necessary and non-discriminatory.

Commission officials said that the warning sent to Britain did not cover British proposals to introduce a minimum net mesh size for scampi fishing since this measure had not been brought into force, but that it would be referred directly to the Court of Justice if Britain attempted to introduce it.

Thai tapioca plantings reduced

BANGKOK — Thailand's tapioca roots production this year is expected to drop to 10.7m tonnes from 15m last year, the Thai Tapioca Trade Association said here yesterday.

During the current crop year about 1.9m acres were planted with tapioca compared with 3m last year. A survey by the Association a few months ago showed the north east as the most important Tapioca crop area with a harvest estimated at 5.2m tonnes.
Reuter

EEC grain policy under fire from feed makers

BY CHRISTOPHER PARKES

COMMON MARKET animal feed makers have called on the EEC Commission for a thoroughgoing revision of the Nine's production and marketing policy for cereals.

The compounders, speaking through the European Feed Manufacturers' Association (FEFAC) in Brussels, demand tougher conditions governing the type and quality of barley which can be taken into intervention stores under Community support buying arrangements.

They also want a two-tier market in wheat. Use of a "European baking test" would enable the authorities to run one market and one set of prices for bread wheat for the milling industry and for export, and another in grain for feeding

Other demands include a freeze on the minimum import price for maize. The makers have also resurrected their well-known appeal for a subsidy on wheat used for animal feed.

All the ideas put forward would work towards holding down the rate of increase in raw material prices for the feed industry. But in putting its case, FEFAC also puts its finger on the main flaws in current grain policy.

Production of high-yielding but low-quality winter barleys has been stimulated "under the protection of over-generous guarantees, tolerances and derogations which has created surpluses for which the only outlet is export to third countries with refunds which are expensive for the EEC," the association says in a statement.

The average quality of bread wheat has also deteriorated, it says, and the amount of quality wheat imported by the milling industry remains as large as ever.

Instead of using home-produced wheat in animal feeds within its own frontiers, the Community has to resort to exporting, which is possible thanks only to costly subsidies.

Between 1967 and 1973, when the Community paid a subsidy on wheat fed to livestock, Association members used 9m tonnes a year. But since the abolition of the subsidy consumption of wheat in animal rations has fallen to less than 5m tonnes because of the high price.

Despite generous support and aids to growers of grain maize, output in the nine has stagnated. Almost 50 per cent of total requirements still have to be imported.

The apparent inability of European farmers to grow enough to meet the market suggests that existing charges on imports cannot be fully justified.

The regions of West Europe within which maize can be grown economically are now clearly defined and little further expansion can be expected without a major advance in plant breeding to produce varieties more tolerant of European conditions.

While there is bound to be considerable sympathy within the Commission for most of the FEFAC prospectus, the basic ideas have been tried in the past and have either been rejected, failed to work properly or been abused by the trade.

But the Community could gain a lot of political goodwill from some changes. British critics, for instance, might be quietened. And any action to slow down subsidised wheat exports on to the world market could do nothing but good for EEC-U.S. relations.

Soviet beet crop below target

BY DAVID SATTER IN MOSCOW

HAMPERED BY an early growing season and a cool summer, Soviet sugar beet farmers failed to meet their 1978 target, harvesting 93.3m tonnes of sugar beets compared with a goal of 96.2m tonnes and a 1977 crop of 93.1m tonnes. The record Soviet beet harvest was 99.9m tones achieved in 1976.

Figures released by the Soviet Statistical Board show that although there was a record grain harvest, only the target for cotton, among the other important crops, was achieved. Sugar beet sunflower, potato and vegetable production all fell below planned targets.

Sunflower seed production in 1978 was 5.31m tonnes compared with a target of 7.5m tonnes. The result was below even the average harvest between 1971-1975, which was 5.97m tonnes.

Cotton production was 8.5m tonnes, exactly on target and about average for the last three years. The cotton harvest record — 8.76m tonnes — was achieved in 1977

Vegetable production came to 26.3m tonnes against a target of 27.5m tonnes. Potato output 85.9m tonnes against a target of 95.6m tonnes.

In Brussels, the EEC statistical office said that Community sugar beet production should reach 78.6m tonnes in 1978 compared with 80.4m tonnes in 1977, an average of 73.3m for the five years, 1973-77.

Sugar content in the beet is expected to be higher this year because of favourable weather, but the cold spell recently may hit yields, especially in the UK where the transport stoppage is posing additional problems.
cmf9cmf shr cmf shr cmf cmbb

The EEC cereals harvest excluding rice, rose in 1978 to 115.7m tonnes from 104.2m in 1977 and compared with an average 100.8m tonnes for the five years 1973-77, the Statistical Office said.

Bigger soya crop forecast

WASHINGTON—The 1978-79 world soyabean harvest is forecast at 80.4m tonnes, 8 per cent above last season's 74.1m, the U.S. Agriculture Department said here.

Increased southern hemisphere output accounts for about 70 per cent, or 4.4m tonnes of the increase, while a 1.3m tonne boost in U.S. production accounts for 21 per cent.

Last season, a 12.9m-tonnes increase in U.S. output accounted for virtually all of the gain in world output.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained further ground in active trading on the London Metal Exchange. Forward metal opened higher at £865 and moved up to the day's high of £872 following speculative buying and a heavy fall in warehouse stocks. However, this level brought out profit-taking and forward metal eased back to close at £857.5 on the late kerb. Turnover 24,700 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	856-.5	+12	852.5-3	+10½
3 months	871.5-2	+10	868-9	+10½
Settl'm'nt	856.5	+10	—	......
Cathodes				
Cash	841-2	+14.5	835-6	+9
3 months	858.5-9	+12.5	853-5	+8.5
Settl'm'nt	842	+14.5	—	......
U.S. Smt.	—	......	*73-5	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £856.5, three months £867, 68, 69, 69.5, 70, 71, 70.5, 71, 71.5, 72, 71.5. Cathodes, cash £841, three months £858.5. Kerb: Wirebars, three months £871.5, 71, 71.5. Afternoon: Wirebars, three months £872, 71, 69, 69.5, 69, 68.5, 69, 69.5, 68.5, 68, 67.5, 68, 68.5, 69, 69.5, 69. Kerb: Wirebars, Three months £868, 68.5, 68, 68.5, 68, 69, 69.5, 70, 69, 68, 67.5.

TIN—Lower. The fall in the Penang market saw forward metal open at £6,840 and ease to £6,820. But a larger than expected decline in stocks prompted fresh buying which lifted the price to £6,865 in the range. In the afternoon profit-taking depressed values with forward metal falling to £6,775 on the late kerb. Turnover: 1,150 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6940-50	—10	6850-70	—100
3 months	6880-900	—7.5	6810-30	—80
Settlem't	6950	—15	—	......
Standard				
Cash	6930-40	+7.5	6840-60	—100
3 months	6845-50	—15	6780-90	—80
Settlem't	6940	+10	—	......
Straits. E.	‡$1775	—25		......
New York	—	......		......

Morning: Standard, cash £6,940, three months £6,850, 55, 50. High Grade cash £6,950. Kerb: Standard, three months £6,850. Afternoon: Standard, three months £6,840, 45, 40, 40, 30, 20, 10, 6,800, 6,790, 80. Kerb: Standard, three months £6,800, 6,780, 6,800, 6,790, 75.

LEAD—Firmer, but below the day's highest levels. Forward metal opened a shade harder at £468 but then rose strongly to £475.5 following the larger fall in stocks. However, the market failed to hold his level as a downturn in copper coupled with profit-taking and short selling saw the price dip to £468 on the kerb. An easing in the nearby supply situation was reflected by the narrowing in the backwardation from £35 to £27. Turnover: 8,800 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	506-7	+8	499-501	—1
3 months	475-6	+7	479-.5	+6.75
Sett'ment	507	+8	—	......
U.S. spot	—	......	*40.42	......

Morning: Cash £504, 1, 2, 3, 4, 5, 6, 7, three months £470, 71, 72, 73, 74, 75, 76, 75.5, 75. Kerb: Three months £476, 75.5, 76, 75, 74, 73. Afternoon: Cash £505, 499, three months £475, 75.5, 75, 74, 73.5, 73, 72, 70, 71, 72. Kerb: Three months £471, 72, 73, 72, 71, 70, 71, 70.5, 70, 69, 68.5, 67.5.

ZINC—Moved ahead in line with copper and lead. After opening at £385 forward metal rose to the day's high of £391 before easing to close at £384 on the late kerb. Turnover: 7,975 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Cash	376.5-7	+8.25	373-4	+4.5
3 months	388.5-9	+7.75	385.5-6	+5.5
S'ment	377	+8		......
Prim.west	—	......	*34.5-35	......

Morning: Cash £376, three months £386, 87, 88, 88.5, 88, 89, 90.5, 91, 90.5, 90, 89.5, 89, 88.75. Kerb: Three months £389, 88.5, 88. Afternoon: Three months £387, 86, 86.5, 86, 85.5, 86. Three months £386, 86, 87, 86, 85.5, 85, 83.5, 84.

ALUMINIUM—Firmer, reflecting stop-loss buying and the trend in copper. Forward metal opened at £638 and rose to, the day's high of £642 prior to easing back to £638 on the late kerb. Turnover: 3,150 tonnes.

Alumin'm	a.m. Official	†+ or —	p.m. Unofficial	†+ or —
	£		£	
Spot	640-1	+9.5	637-8	+9
3 months	641-.5	+8.5	638-.5	+4.75

Morning: Cash £639, 41, three months £638, 39, 40, 39.5, 40, 41, 41.5, 42, 41.5. Kerb: Three months £640. Afternoon: Cash £636, three months £639, 38.5, 38, 38.5, 39. Kerb: Three months £638, 39, 38.5.

* Cents per pound ‡ $M per picul.
† On previous unofficial close.

SILVER

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	316.85p	+6.05	317.4p	+6.5
3 months	325.15p	+6.05	325.85p	+6.6
6 months	332.75p	+6.25	—	......
12 months	347.5p	+6.5	—	......

LME—Turnover 257 (478) lots of 10,000 ozs. Morning: Three months 325, 25.5, 25.3, 25.5, 25.4, 25.5, 25.4, 25.2. Kerb: Three months 325.5, 5.4, 5.3, 5.6, 5.9. Afternoon: Three months 324.8, 4.9, 5.4, 5.3, 5.4, 326, 5.8. Kerb: Three months 325.8, 26, 6.1, 5.7, 5.9, 26, 6.3, 6.4.

COCOA

During a featureless day cocoa futures remained steady, trading in thin volume to gain £20 from Friday's closing levels, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1802.5-03.0	+16.0	1808.0-1782
May	1845.0-47.0	+19.0	1850.0-1825
July	1868.0-70.0	+16.5	1871.0-1854
Sept	1885.0-89.0	+21.0	1886.0-1880
Dec	1905.0-06.0	+18.5	1910.0-1900
March	1925.0-27.0	+7.5	1930.0-1920
May	1955.0-57.0	+14.5	1944.0-1935

Sales: 1,641 (3,617) lots of 10 tonnes.
International Cocoa Organisation (U.S. cents per pound): Daily price for Jan. 19: 161.35 (164.24): indicator price for Jan. 22: 15-day average 171.28 (172.57); 22-day average 173.05 (173.77).

JUTE

JUTE—Quiet. Jan./Feb. c and f Dundee—BWC £259, BWD £241, BTC £264, BTD £249; c and f Antwerp—BWB $564, BWC $522, BWD $486, BTB $568, BTC $532, BTD $504. Jute goods—40 in 10 oz £11.25; 40 in 7.5 oz £8.61. B. Twills £30.04.

*

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 289 tonnes. A little more animation was evident in the market, though buyers were still cautious. Trading was almost entirely for forward delivery, with American-type styles in chief request.

COFFEE

ROBUSTAS opened higher but early Commission House short-covering was wel labsorbed by trade scale up selling, Drexel Burnham Lambert reported. Buying through one broker in the afternoon *prompted* a further rally and caused some chartist interest and stop-loss covering. Closing values were 10-25 higher on balance.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
January	1745-1745	+5.5	1780-1752
March	1415-1416	+28.5	1423-1394
May	1280-1281	+17	1290-1266
July	1216-1220	+5.5	1230-1210
September	1172-1177	+8	1185-1165
November	1145-1148	+10.5	1145-1139
January	1115-1135	+16.5	1115-1110

Sales: 5,815 (4,490) lots of 5 tonnes.
ICI Indicator prices for Jan. 19 (U.S. cents per pound): Colombian Mild Arabicas 167.50 (168.00); unwashed Arabicas 136.00 (same); other Mild Arabicas 128.67 (128.3); Robustas ICA 1976 134.00 (same); Robustas ICA 1968 134.50 (same). Daily average 131.45 (131.37).

GRAINS

LONDON FUTURES (GAFTA)—Grains opened 15p higher on old crop wheat, 10p higher on old crop barley. Some initial buying interest in the spot increased values to trade 35p higher but sellers of March and May options eased the market and values came off throughout the day to close 15-35p lower on old crop in thin volume. *Jan.* barley values eased on country selling after initial interest to close 10-20p *lower on old crops. New crops* saw very little trade and closed 5p lower on wheat, unchanged on barley, Acli reported.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Jan	91.55	—0.35	85.00	—0.20
Mar	93.35	—0.25	86.75	—0.10
May	95.15	—0.15	89.40	—0.10
Sept.	90.05	—0.05	84.10	......
Nov	93.05	—0.05	87.10	......

Business done—Wheat: Jan. 92.25-92.15, March 93.70-93.35, May 96.35-96.15, Sept. 90.10-90.05, Nov. 93.00-93.00. Sales: 98. Barley: Jan. 85.25-84.95, March 86.90-86.70, May 89.60-89.40, Sept. nil, Nov. 87.00-87.00. Sales 76.

HGCA—Ex farm spot prices for week ending January 18. Other Milling Wheat: East 90.30, E. Midlands 91.00, N.E. 92.00, UK 91.10. Feed Malting Barley: SE 81.80, SW 82.10, East 82.30, E. Midlands 81.90, W. Midlands 81.80, N.E. 81.70, N.W. 82.50, Scotland 82.80, UK 82.00. UK forward prices for delivery during: March—M. Wheat (Bread) 94.70, M. Wheat (other) 92.60, Feed Wheat 91.60, Malting Barley 88.20, Feed Barley 83.90. April—M. Wheat (Bread) 97.40, M. Wheat (other) 94.60, Feed Wheat 93.00, Malting Barley 89.70, Feed Barley 84.90.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent Jan./Feb./March 92 transhipment East Coast: April/May 87.50 Tilbury. U.S. Hard Winter 13½ per cent Jan./Feb./March 87.75 transhipment. East Coast. EEC: Unquoted. Maize: U.S./French Jan./Feb. 110.00 East Coast. S. African White Jan. 69. S. African Yellow Jan. 69. Barley: English feed fob April/June 92 East Coast.

HGCA—Location ex-farm spot prices. Other milling wheat: Cambridge 90.00. Feed barley: Central Scotland 81.70, Cambridge 82.00.

The UK monetary coefficient for the week beginning January 29 (based on HGCA calculations) is expected to remain unchanged.

EEC IMPORT LEVIES—The following levies and premiums are effective for Jan. 24 in order of current levy plus Feb., March and April premiums (with previous in brackets) all in units of account per tonne. Common wheat: 83.69, 4.45, 4.45, 4.45 (84.30, 4.45, 4.45, 4.45). Durum wheat: 122.67, 10.16, 10.16, 10.16 (122.67, 10.16, 10.16, 10.16). Rye: 89.93, rest nil (89.93, nils). Barley: 90.28, 3.81, 3.81, 3.81 (0.925, 3.81, 3.81, 3.81). Oats: 87.56, nil (85.29, nil). Maize (other than hybrid for seeding): 77.30, nil, 1.68 (77.30, nil, nil, 1.83). Buckwheat: 3.55, nil (3.55, nil). Millet: 73.14, nil (73.14, nil). Grain sorghum: 79.83, nil (79.84, nil). Flour levies: Wheat or mixed wheat and rye flour: 128.68 (129.51). Rye flour: 136.61 (136.81).

PRICE CHANGES

Price in tonnes unless otherwise stated.

	Jan. 22 1979	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free market (cis)	$1,240/55	......	$1,200/20
Copper cash W Bar	£852.75	+9.25	£744
3 months do. do.	£868.5	+10.25	£790.75
Cash Cathode	£835.5	+9.0	£760.75
3 months do. do.	£854	+8.5	£779.25
Gold Troy oz.	$234.125	+4.5	$216.625
Lead cash	£500	—1.0	£424.75
3 months	£472.25	+6.75	£405.25
Nickel	‡	......	‡
Free Market (cif)(lb)	$1.59 / 1.73	......	$1.65 / 1.80
Platinum troy oz.	£152	......	£155
Free Market	£185.85	+2.85	£172.85
Quicksilver	$205/215	+5.0	$148/53
Silver troy oz.	316.85p	+6.05	296.7p
3 months	325.15p	+6.05	304.35p
Tin cash	£6,845	+100.0	£6,985
3 months	£6,785	+80.0	£6,922.5
Tungsten (z)	$144.29	......	$145.56
Wolfram 22.04 cif	$128/151	......	$137/45
Zinc cash	£373.5	+4.5	£341.25
3 months	£385.75	+5.5	£351.75
Producers	$720	......	$720
Oils			
Coconut (Phil)	$690r	—5.0	$935
Groundnut	‡	......	‡
Linseed Crude	£361	—5.0	£356
Palm Malayan	$637.5x	+7.5	$610
Seeds			
Copra Philip	‡	......	$612.5
Soyabean (U.S.)	$293.9x	+2.8	$289
Grains			
Barley			
Home Future	£86.75	—0.05	£85.5
Maize			
French No. 3 Am	£110q	......	£106.5
Wheat			
No. 1 Red Spring	‡	......	£96
No. 2 Hard Winter	£87.75y	......	£87.75
English Milling	†£93.5x	......	£93.5
Other Commodities			
Cocoa shipment	£1,897	+19.0	£1,999
Future May	£1,848	+18.75	£1,949.5
Coffee Future			
Mar.	£1,414	+26.5	£1,256.5
Cotton 'A' Index	75.75p	—0.15	73.55c
Rubber kilo	55.5p	—0.25	57.25p
Sugar (Raw)	£94	......	£101
Wooltops 64s (kilo)	268p	......	271p

* Nominal. † New crop. ‡ Unquoted. *n* Jan.-March. *q* Jan.-Feb. *r* Feb.-March. *c* March. *t* Feb. *x* per ton. *z* Indicator.

RUBBER

EASIER opening on the London physical market. Quiet throughout the day, closing on a slightly steadier note. Lewis and Peat reported the Malaysian godown price was 235 (236) cents a kilo (buyer, February).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Feb	56.05-56.10	56.10-56.15	56.00-55.60
Mar	56.90-56.95	58.15-58.90	56.90
Apr-June	57.95-58.00	58.05-58.10	58.10-57.35
Jy-Sept.	60.05-60.10	60.10-60.15	60.10-59.45
Oct-Dec.	62.15-62.20	62.25-62.30	62.20-61.65
Jan-Mar	64.30-64.35	64.30-64.35	64.00
Apr-June	66.40-66.45	66.35-66.40	66.40-66.00
Jy-Sept.	68.45-68.50	68.40-68.45	68.50-67.85
Oct-Dec	70.55-70.40	70.50-70.55	70.50-70.25

Sales: 16 (54) lots of 5 tonnes: 218 (582) lots of 15 tonnes.
Physical closing prices (buyers) were: Spot 55.5p (55.75); Feb. 57.5p (same); March 57.75p (same).

SOYABEAN MEAL

	Yesterday's Close £ per tonne	+ or —	Business Done
February	131.40-31.5	+1.35	131.50-30.80
April	128.10-28.5	+2.55	128.90-28.50
June	125.60-25.6	+2.85	125.80-25.00
August	128.10-29.0	+2.70	126.50
October	125.50-27.0	+2.30	126.00
December	122.00-26.0	+2.25	—
February	122.00-26.5	+0.75	—

Sales: 132 (30) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES (raw sugar) £94.00 (same) a tonne cif for Jan.-Feb. shipment. White sugar daily price was fixed at £96.00 (£95.00).

Reports that India had invited bids today for 100,000 tons produced an easier tone at the opening and prices declined some 50 points below pre-weekend levels. Thereafter, trading was confined to a narrow range throughout the day, despite the announcement of tenders by Colombia and Peru, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	102.25-02.50	102.90-02.95	105.25-02.00
May	105.20-05.50	105.75-05.85	105.10-05.00
Aug	109.15-09.25	109.70-09.75	110.00-09.00
Oct	112.15-12.25	112.50-12.70	112.75-11.70
Dec	114.90-15.15	115.50-15.60	115.25-15.00
March	119.80-20.25	120.30-20.55	120.25-19.75
May	122.00-22.50	122.55-22.90	—

Sales: 1,470 (727) lots of 50 tonnes.
Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £165.00 (£166.50) for export.
International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Jan. 19. Daily 7.54 (7.67); 15-day average 7.64 (7.65).

WHITE SUGAR: Close (in order buyer, seller, business, sales). April 99.50, 100.00, 99.75-99.50, 33; July 105.50, 106.00, 105.50, 130; Sept. 111.00, 111.50, 112.10-111.50, 50; Nov. 115.75, 116.25, 116.50-116.00, 110; Feb. 121.00, 123.00, nil, nil; April 126.00, 129.50, nil, nil; July 130.00, 135.00, nil, nil. Sales: 323.

WOOL FUTURES

LONDON GREASY: Close (in order, buyer, seller). March 208.0, 210.0; May 213.0, 218.0; July 217.0, 225.0; Oct. 230.0, 238.0; Dec. 231.0, 240.0; March 234.0, 244.0; May 235.0, 245.0; July 236.0, 247.0. Sales: 3.

NEW ZEALAND CROSSBREDS: Close (in order buyer, seller). March 180.0, 184.0; May 183.0, 186.0; July 184.0, 189.0; Oct. 187.0, 190.0; Dec. 190.0, 194.0; March 191.0, 195.0; May 193.0, 199.0; July 193.0, 199.0. Sales: nil.

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: March 349.5, 349.9, 349.9-349.5, 3; May 357.0, 359.5, nil, nil; July 362.8, 363.5, 363.0-362.8, 6; Oct. 364.5, 365.0, 364.5-364.5, 8; Dec. 368.0, 368.5, 368.5-368.0, 12; March 371.0, 374.8, nil, nil; May 373.0, 378.0, nil, nil; July 376.5, 380.0, nil, nil. Sales: 29.

BRADFORD—Some combing plants are only working three days a week due to the transport strike which is holding up all supplies of wool from overseas. South American wools are in short supply with average 58s and 60s qualities particularly affected.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on week ending January 20. GB cattle 73.27p per kg.l.w. (—0.73). UK sheep 140.6p per kg.est.d.c.w. (+1.6). GB pigs 63.2p per kg.l.w. (+0.9). England and Wales: Cattle numbers down 3.4 per cent, average price 73.57p (—0.41). Sheep numbers up 1.3 per cent, average price 141.4p (+2.2). Pig numbers no change, average price 63.1p (+0.9). Scotland: Cattle numbers up 34.4 per cent, average price 72.05p (—2.0). Sheep numbers up 50.4 per cent, average price 133.9p (—1.3). Pig numbers up 55.5 per cent, average price 64.7p (—0.5).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 60.0 to 65.0; Eire hindquarters 65.0 to 69.0, forequarters 42.0 to 45.0.

Veal: English fats 74.0 to 85.0, hinds and ends 93.0 to 103.0.

Lamb: English small 60.0 to 64.0, medium 58.0 to 62.0, heavy 52.0 to 60.0; Scotch medium 58.0 to 62.0, heavy 52.0 to 60.0.

Pork: English, under 100 lbs 36.5 to 46.0, 100-120 lbs 36.5 to 45.0, 120-160 lbs 35.0 to 43.0.

Partridges: Young (each) 180.0 to 200.0.

Pheasants: Best (per brace) 300.0 to 300.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Lemons—Italian: 120's new crop 5.00-5.25; Cyprus: Trays 4.50-5.50, boxes 80/180's 4.50-8.00; Spania: Trays 30/40/45 2.20-2.40, boxes 5.60-5.80.

*

GRIMSBY FISH—Supply moderate, demand moderate. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£4.50, codlings £3.20-£3.70; large haddock £5.00-£5.50, medium £4.00-£4.80, small £3.80-£4.20; large plaice £4.00-£4.30, medium £3.80-£4.30, best small £4.00-£4.60; large skinned dogfish £9.00, medium £6.00; large lemon soles £10.00, medium £8.50; saithe £2.40.

AMERICAN MARKETS

NEW YORK, Jan. 22.

Copper—Jan. 74.10 (74.05), Feb. 74.30 (74.25), March 74.85, May 75.65, July 76.65, Sept. 77.15, Dec. 77.55, Jan. 77.80, March 78.20, May 78.60, July 79.00, Sept. 79.40.

Potatoes, Round Whites—March 580-581 (587), April 601-605 (615), May 678-681, Nov. 555-558, March 620-650, April nil, May 792-799. Sales: 1,683.

CHICAGO, Jan. 22.

Live Cattle—Jan. 62.70-67.80 (63.07), April 64.80-64.90 (64.70), June 65.90-66.00, Aug. 65.27-65.40, Oct. 64.65, Dec. 65.10, Jan. 65.45 asked, Feb. 65.70 asked, April 66.05. Sales: 24.555.

Live Hogs—Feb. 53.70-53.80 (54.12), April 49.77-49.62 (49.75), June 51.10-50.95, July 51.30, Aug. 49.10, Oct. 46.35 bid, Dec. 47.20, Feb. 46.80 asked, April 45.10. Sales: 7.811.

††Maize—March 232¾-233 (232), May 241¾-242 (240¾), July 247-246¾, Sept. 249, Dec. 253¾-253, March 261.

Plywood—Jan. 21.12-21.00 (21.48), March 20.98 (20.94), May 20.68, July 20.65, Sept. 20.40 bid, Nov. 20.13, Jan. 20.10 bid.

Shell Eggs—Jan. 61.90 asked (63.90), Feb. 56.90 (57.25), March 55.00, April 51.05, May 49.80 asked, Sept. 57.85. Sales: 195.

Soyabeans—Jan. 707 (797), March 710½-709½ (707½), May 721½-720, July 726-727, Aug. 722½-722, Sept. 695½, Nov. 683½-683, Jan. 691½-692.

||Soyabean Meal—Jan. 190.70-190.60 (188.90), March 192.20-192.50 (192.20), May 192.80, July 193.20-193.50, Aug. 194.20-194.00, Sept. 194.00-194.50, Oct. 190.50-190.20, Dec. 190.00-189.50, Jan. 190.00-189.50.

Soyabean Oil — Jan. 25.40-25.50 (25.35), March 25.50-25.57, May 25.55-25.50, July 25.50, Aug. 25.55, Sept. 24.80-24.85, Oct. 24.19-24.15, Dec. 24.00-23.95, Jan. 23.90-23.95, March 23.65.

*Wheat—March 350½-350¼ (355½), May 332¾-332½ (335½), July 318½, Sept. 322½, Dec. 333, March 334 asked.

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100-ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. § $s per troy ounce for 50-oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. || New "B" contract in $s a short ton for bulk lots of 100 short tons delivered fob cars Chicago, Toledo, St. Louis and Alton. ** Cents per 69-lb bushel in store. †† Cents per 24-lb bushel. ‡‡ Cents per 48-lb bushel ex-warehouse. §§ Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. ¶¶ C$s per tonne.

EUROPEAN MARKETS

ROTTERDAM—Jan. 22.

Wheat—U.S. No. 2 Dark Hard Winter 13.8 per cent mid-Jan./mid-Feb. $158, March $158. U.S. Hard Winter Wheat ordinary Feb. $155, March $155.

Maize—U.S. No. 3 Corn Yellow AFL $123, Jan. $121.75, Feb. $120.75, March $118, April/June $118, July/Sept. $116.50, Oct./Dec. $116.50.

Rye—U.S. No. 2/Canadian Western April/May $110.

Oats — U.S./Plate—Jan./Feb. $99, Feb. $96, Feb./March $96, March/April $99. Swedish—Spot $96, 2/40 U.S.—Unquoted, 17 Canadian feed—Unquoted, Norwegian—Jan. $108.60.

Sorghum — Arg./U.S.—AFL $117, Jan. $117, Feb. $118, April/June $108.

Barley—U.S. No. 3/Canadian 1/2—All unquoted.

PARIS, Jan. 22.

Cocoa (FFr per 100 kilos)—March 1,482-1,493, May 1,523-1,525, July 1,530 bid, Sept 1,565-1,635, Dec. 1,550-1,582, March 1,550-1,570. Sales at call: 6. Accumulative total: 47.

Sugar (FFr per 100 kilos)—March 811-813, May 828-840, July 840-850, August 885-890, Oct. 920-923, Nov. 915-925, Dec. 930-950, March 975-985. Sales at call: Nil.

INDICES

FINANCIAL TIMES

Jan. 19	Jan. 18	M'nth ago	Year ago
263.34	261.59	255.50	25-109

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Jan. 19	Jan. 18	Month ago	Year ago
Spot	375.51	376.29	380.51	345.47
F'tur's	372.40	371.40	379.06	334.38

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 19	Jan. 18	M'th ago	Year ago
Sple Comty	996.7	992.6	972.5	896.7

(December 31, 1931=100)

REUTERS

Jan. 22	Jan. 19	M'nth ago	Year ago
1502.2	1499.6	1501.6	1403.2

(Base. September 18, 1931=100)

Malta counts cost of pig diseases

By Godfrey Grima in Malta

THE CONTINUING African swine fever epidemic and the recent outbreak of foot and mouth disease have cost Malta £M14m (£19m). This was officially confirmed yesterday by the Maltese Government which has asked both the EEC and the UN Food and Agriculture Organisation (FAO) for urgent aid.

Delegates from both organisations are in Malta discussing how the island can start raising new pig herds and the type of financial assistance Malta can be given to eradicate the disease and raise new pig stocks.

Malta's first move, after the few remaining hundreds of pigs are destroyed, will be to build a new farm on the offshore island of Comino. New stocks will remain isolated from the mainland.

World platinum production estimated

WASHINGTON — World production of platinum-group metals in 1978 is estimated at 3.40m troy ounces, unchanged from 1977, the U.S. Bureau of Mines said here.

Production in the Soviet Union increased slightly to about 3m ounces, while South African output remained at the 1977 level of about 2.95m, the bureau said.

These two countries accounted for about 93 per cent of world output. Canada produced about 6 per cent and other nations, including the U.S., the remaining 1 per cent.

United States mine production, all of which was a by-product of copper mining, was about 5,000 ounces, virtually unchanged from the previous year. Secondary output, mainly from scrap, was about 200,000 ounces, equal to 9.5 per cent of sales to industry. Toll-refining of secondary metal amounted to more than 1m ounces.
Reuter

LEGAL NOTICES

No. 0063 of 1979

In the HIGH COURT OF JUSTICE Chancery Division, in the Matter of D. SPENCER MOTOR ENGINEERING LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding-up of the above named Company by the High Court of Justice was, on the 9th day of January 1979, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41 Mark Lane, London, EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 12th day of February 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. F. GLOAK,
King's Beam House,
39-41 Mark Lane,
London, EC3R 7HE.
Solicitor to the Petitioners.

NOTE: Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 9th day of February, 1979.

No. 0094 of 1979

In the HIGH COURT OF JUSTICE Chancery Division, MR. REGISTRAR HUNT, in the Matter of WESTINGHOUSE BRAKE AND SIGNAL COMPANY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that by an Order dated the 18th January, 1979, made in the above matters the Court has directed a Meeting of the holders of the Ordinary Shares of 25p each of the above-named Company (hereinafter called "the Company") to be convened for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its said Shares and that such meeting will be held at Bonnington Hotel, Southampton Row, London, W.C.1 on Tuesday the 20th day of February 1979 at 12.00 o'clock noon at which place and time all the aforesaid Shareholders of the Company are requested to attend.

Any person entitled to attend the said Meeting can obtain copies of the said Scheme of Arrangement forms of Proxy and copies of the Statement required to be furnished pursuant to Section 207 of the above-mentioned Act at the registered office of the Company situate at 3 John Street, London WC1N 2ES and at the office of the undermentioned Solicitors at the address mentioned below during usual business hours on any day (other than a Saturday or Sunday) prior to the day appointed for the said Meeting.

The said Shareholders may vote in person at the said Meeting or they may appoint another person, whether a Member of the Company or not as their proxy to attend and vote in their stead.

It is requested that forms appointing Proxies be lodged with the Registrars of the Company, Messrs. Hays Allan, Southampton House, 317 High Holborn, London, WC1V 7BR not less than forty-eight hours before the time appointed for the said Meeting but if forms are not so lodged they may be handed to the Chairman at the Meting.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person, or by proxy, will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

By the said Order, the Court has appointed Leslie Ernest Thompson, or failing him, David Pollock, or failing him, Hubert Roy Baines to act as Chairman of the said Meeting, and has directed the Chairman to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated this 22nd day of January, 1979.
ALLEN & OVERY,
9, Cheapside,
London EC2V 6AD.
Solicitors for the Company.

Escalating labour strife undermines stock markets

Long-dated Gilts hardest hit along with equity leaders

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan. 2	Jan. 11	Jan. 12	Jan. 23
Jan. 15	Jan. 25	Jan. 26	Feb. 6
Jan. 29	Feb. 8	Feb. 9	Feb. 20

* "New time" dealings may take place from 9.30 am two business days earlier.

Stock markets turned down yesterday with the equity leaders unable to resist renewed weakness in Gilt-edged securities which closed with falls ranging to ¾ on growing concern about the pressures being brought to bear on price inflation and on fears that the Government may be forced into a General Election by the current industrial strife.

The inflationary implications of current pay demands coupled with anxieties about interest rate levels were reflected yesterday in gross redemption yields on long-dated British Funds reaching 14 per cent; the FT Government Securities index lost 0.37 further to 67.00, its lowest since July 22, 1977.

Recent willing buyers of top-name shares went to ground and the price level gave way after last week's marked resistance, although selling was slight and mostly confined to the early trade. Prospective buyers lowered their sights but stock was being absorbed at the lower levels and the FT Industrial Ordinary share index, off 5.6 at 11 a.m. and 6.1 down at the day's lowest (at 2 p.m.), closed with a net loss of 5.8 at 473.1.

South African Gold shares resisted the malaise, American and other foreign buying being drawn by the continued upsurge in the price of bullion which settled 4½ higher at $234¼ per ounce. Heavyweight stocks rose by a full point and gains among the lesser-priced issue were also considerable, a combination which lifted the FT Gold Mines index for the sixth successive trading day for a rise of 22.8 over the period to 159.5.

Demand for Wall Street and arbitrage activity failed to spur the investment currency market and the premium closed unchanged on the day at 89¾ per cent. Yesterday's SE conversion factor was 0.6874 (0.6865).

Reflecting the current strength of South African Gold shares, a good traded option business was done in Consolidated Goldfields which accounted for 287 deals of the total number of 653.

Withdrawal of recent support left market newcomers IAS Cargo Airlines 6 off at 98p.

Midland dull

Confirmation that the major clearing banks will reveal their bad debt provisions with next month's annual results failed to make an impression on the big four which had drifted lower in sympathy with the general trend. Closing levels were a few pence above the day's lowest, although Midland ended only a penny off the bottom at 367p, down 11. Lloyds relinquished 6 to 290p and Barclays 5 to 383p, while NatWest finished 3 off at 285p. Among Discounts, Alexanders improved 4 to 252p in response to the preliminary statement and Union gained 7 to 317p following comment ahead of tomorrow's annual results. Guinness Peat gave up 4 to 116p among merchant banks but Antony Gibbs edged forward 2 to 49p. Elsewhere, London Scottish Finance added 3 at 31p.

Suspended last November at 410p following news of the plan to merge with Bland Payne, dealings were resumed yesterday in Sedgwick Forbes after last week's publication of the terms; returning at 405p, the shares eased in active trading to 395p before closing at 398p. Other Insurance brokers were dull with Matthews Wrightson, 6 down at 170p. Composites had Royals, 345p, and Sun Alliance, 498p, down 8 apiece.

A quiet day's trade left brewery and kindred issues at lower levels, although little selling developed. Press comment failed to ift Whitbread, which eased 2 to 100p. Among the distilery issues, Highland fell 6 to 86p and Distillers closed 2 off at 208p.

Conditions in the Building sector were extremely quiet and the majority of scattered movements tthroughout the list were limited t oa few pence either way. Vectis Stone, a recent speculative favourite, reacted 3 to 52p.

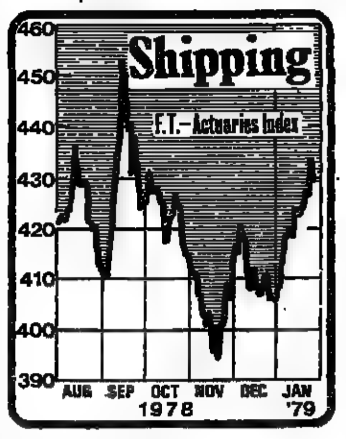
ICI, down 4 at 358p, gave ground on sporadic offerings and lack of support.

MFI Furniture down

Although Burton ordinary shares put on 5 more to 210p, interest in the A shares waned after last week's rise which partly reflected enfranchisement hopes and softened 2 to 190p, after 193p, with the Warrants easing 1½ to 50p. MFI Furniture cheapened 6 to 186p after profit-taking in the absence of bid developments, while Morris and Blakey Wallpapers ordinary, 152p, and A, 115p, lost 8 apiece for a similar reason. Bambers at 130p, and W. L. Pawson, at 73p, however, added 3 apiece in response to Press comment. Among Shoes, Strong and Fisher stood out with a Press-inspired improvement of 4 to 74p.

Light selling and lack of support left its mark on the Electrical leaders. Final quotations, however, were a penny or so above the worst with GEC closing 5 cheaper at 322p, while Thorn eased to 354p before settling at 356p for a fall of 6. Elsewhere, the trend was also to lower levels, but H. Wigfall provided a bright spot with a rise of 9 to 261p, after 265p, on speculative buying. In contrast, falls of around 6 were recorded in Decca, 415u, Farnell, 397p, and Racal, 344p. Bowthorpe opened higher at 79p in response to weekend Press mention, but eased back to close ½ cheaper on balance at 75½p: the company announced restructuring details of its UK-based businesses yesterday.

Closing falls in the Engineering leaders were fairly substantial, but selling was mostly of modest proportions. Awaiting Friday's interim results, John Brown



eased to 368p before settling at 360p, down 8 on balance. Falls of 8 were also recorded in Hawker Siddeley, 220p, and Tubes, 366p. Elsewhere, lack of any further developments in the bid situation with GEC prompted selling of Averys which closed 9 down at the day's lowest of 221p. Among the scattered bright spots, S. W. Farmer encountered support at 146p, up 5, along with Aurora Holdings, 3 to the good at 88p. Baker Perkins were quoted ex-rights at 155p, with the new shares opening at 31p premium and touching 36p premium before closing at 34p premium.

Increasing worries over the effects of the road haulage dispute left Food issues showing modest falls. Sainsbury lost 4 to 228p, and Tate and Lyle, with the preliminary results due tomorrow, fell an equal amount to 184p. Speculative counters succumbed to the withdrawal of recent support with Robertson, 143p, and Louis C. Edwards 33p, both easing a couple of pence. Associated Fisheries dropped 3 to 40p following adverse weekend Press comment.

Suspended at 46p around 10 a.m. pending an announcement, dealings in recent speculative favourite Dufay Bitumastic were resumed later and reacted to close 6 down on the day at 39p following the Board's bid denial and its request to the Stock Exchange to investigate recent dealings in the shares. Channel Tunnel reacted 3 to 52p after the latest EEC study details on the project, while C. H. Industrials eased 1½ to 28p on the announcement that a third of the company's workforce is likely to be laid off as a result of the road haulage strike. Avon Rubber softened 5 to 170p on the annual report but Gnome Photographic added 5 to 64p following Press comment. Still drawing strength from thhe recent excellent results, Finlas also improved 5, to 120p, after 123p, while Provincial Laundries hardened ¾ to 21p and the 12 per cent Convertible Unsecured Loan Stock gained 15 points to £195p in response to an investment recommendation. The miscellaneous industrial leaders moved lower with Beecham notable for a fall of 10 to 613p.

A slightly improved level of business than of late was seen in Motors. Dunlop lost Friday's rise of 3 to 64p following second thoughts over the rationalisation package announced that day. Elsewhere among Components, losses of 3 were seen in Lucas, 296p, Dowty, 257p and Associated Engineering, 108p. Herman Smith, on the other hand, rose 1½ to 15½ after small buying. Distributors met scrappy selling, Lex easing 2½ to 78½ and Heron giving up 4 to 119p.

In Newspapers, Liverpool Daily Post shed 4 to 116p. In contrast, Gordon and Gotch, recently lower on poor mid-term profits, recovered 3 to 75p. Paper manufacturers Capseals added 4 to 45p following speculation that Cope Allman, with a 60 per cent holding in the company, will bid for the outstanding equity.

In quietly dull Property leaders, English softened a shade to 42½p awaiting further news of the bid discussions with Eagle Star; the latter gave up 5 to 125p. Land Securities relinquished 4 to 250p and MEPC 3 to 151p. Elsewhere, Imry firmed 5 to 408p after the interim results.

Oils subdued

Oils drifted a little easier in subdued trading. British Petroleum gave up 4 to 900p, while Shell shaded a few pence to 562p and Royal Dutch lost ¾ to £46¾.

Among Financials, dealings were temporarily suspended in Edinburgh Industrial Holdings at 11p.

Shippings took on a mixed appearance. Reardon Smith encountered scattered support at 74p, up 2, but Common Bros. eased 4 to 188p and P. and O. Deferred closed a penny off at 90p, after 89p.

Profit-taking following Friday's bid approach news left Ash Spinning 5 cheaper at 104p. Elsewhere in quietly-traded Textiles, Scottish, English and European added 2 to 82p in front of tomorrow's half-timer, while Small and Tidmas jumped 10 to 55p in a thin market.

Confirmation from Sime Darby that it will not raise its offer for Guthrie beyond the present 425p per share took the latter down to equal the planned bid price before support developed which left a close of 428p, down 8; Sime added a penny to 110p. Elsewhere Plantations made progress following a strong Singapore market. Kuala Lumpar Kepong put on 4 to 88p, while Castlefield, 253p, and Chersonese, 53p, both added 3.

Golds strong again

The recent upsurge in South African Gold shares gathered pace following the strong performance by the bullion price, which climbed $4.50 to $234.125 per ounce—its highest closing level since November 1 when the dollar support package, including the U.S. Treasury monthly gold auctions of 1.5m ounces, was announced.

The Gold Mines index registered its sixth consecutive gain, rising 5.2 to 159.5, while the ex-premium index put on 3.7 to 109.6.

Share prices were marked up at the outset and continued to improve throughout the day following persistent buying from Johannesburg, the Continent, London and in the late trade the U.S.

Gains in the heavyweights ranged up to a point, as in Randfontein, £32¼, while Free State Geduld advanced ¾ to £15½ and Western Holdings, ⅝ to £18¾.

The marginal South African Land added 3 more to a 1978-9 on further consideration of the return to the dividend list. On the other hand, East Daggafontein dropped 8 to 19p owing to Johannesburg selling following the passing of the final dividend.

Vogels, the base-metals investment company, advanced 5 to a 1978-9 high of 75p in front of tomorrow's interim dividend announcement. Dealings were suspended in Rand London, 47p; the company has announced that negotiations are taking place regarding a major acquisition which may affect the value of the shares.

London-registered Financials were barely changed with the notable exception of Gold Fields, which gained 5 to 192p reflecting the strength of the bullion price.

Australians failed to attract much interest. The strong performance by base-metal prices enabled MIM Holdings to edge 2 higher to a 1978-9 high of 243p. Endeavour Resources, however, eased 1½ following the proposed three-for-five at 21 cents rights issue.

Coal production records broken

THREE COLLIERIES in Nottinghamshire and Derbyshire have broken weekly coal production records, the Coal Board said yesterday.

At Shirebrook colliery, near Mansfield, 1,800 miners beat their previous record by 498 tonnes, those at Harworth colliery near Bawtry, Notts, broke a 10-month-old record, and at New Hucknall colliery, a second 10-month-old record was smashed.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	2	74	3
Corpns., Dom. and Foreign Bonds	1	39	24
Industrials	208	408	908
Financial and Prop.	61	152	294
Oils	5	12	21
Plantation	13	2	17
Mines	61	18	42
Recent Issues	3	8	15
Totals	374	713	1,324

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
Barclays Bank	£1	11	383	−5	398	296
BP	£1	11	900	−4	954	720
Shell Transport	25p	11	562	−3	602	484
Beecham	25p	9	613	−10	726	581
Cons. Gold Fields	25p	8	192	+5	204	163
ICI	£1	8	358	−4	421	328
Midland Bank	£1	8	367	−11	390	330
Sedgwick Forbes	10p	8	398	—	475	310
Strong & Fisher	25p	8	74	+4	74	54
Capseals	5p	7	45	+4	48	38
GEC	25p	7	322	−5	349	233
Grand Met.	50p	7	114	−2	121	87
Guthrie Corp.	£1	7	428	−6	450	211
RTZ	25p	7	262	−2	268	164
Tst. Houses Forte	25p	7	363	−4	368	166

FINANCIAL TIMES STOCK INDICES

	Jan. 22	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	A year ago
Government Secs.	67.00	67.37	67.62	67.51	67.92	67.87	77.00
Fixed Interest	69.39	69.90	70.02	69.96	70.09	70.07	80.88
Industrial	473.1	478.9	474.6	474.0	481.5	482.8	486.8
Gold Mines	159.5	154.3	150.1	146.7	143.4	140.1	155.2
Gold Mines(Ex-$ pm)	109.6	105.9	103.3	100.6	97.6	95.5	114.2
Ord. Div. Yield	6.16	6.08	6.12	6.12	6.02	5.99	5.64
Earnings, Y'ld % (full)	16.14	15.94	16.05	16.05	15.80	15.73	16.90
P/E Ratio (net) (*)	8.01	8.11	8.09	8.09	8.22	8.26	8.39
Dealings marked	4,617	5,836	5,965	4,403	4,600	4,718	5,404
Equity turnover £m.	—	58.61	61.54	67.17	70.99	60.35	56.03
Equity bargains total	—	10,974	11,421	11,344	12,700	13,842	14,779

10 am 476.9. 11 am 473.9. Noon 473.3. 1 pm 473.0.
2 pm 472.8. 3 pm 472.9.
Latest Index 01-246 8026.
* Nil = 7.78.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (3/1/78)	67.00 (22/1/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	69.30 (13/11/78)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.8 (14/8/78)	130.3 (15/2/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	152.5 (14/8/78)	90.5 (28/6/78)	337.1 (3/4/74)	54.3 (26/6/76)

S.E. ACTIVITY

	Jan. 22	Jan. 19
—Daily		
Gilt Edged	168.4	153.5
Industrials	163.1	131.8
Speculative	83.1	35.4
Totals	109.6	87.3
5-day Average		
Gilt Edged	150.0	152.9
Industrials	143.1	145.3
Speculative	40.5	38.6
Totals	98.4	97.9

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan. 9	Jan. 22	Apr. 5	Apr. 18
Jan. 23	Feb. 5	Apr. 19	May 1
Feb. 6	Feb. 19	May 3	May 15

For rate indications see end of Share Information Service

Call options were completed in Spillers, NatWest Warrants, English Property, GRA, Hunting Gibson, Messina, Elandsrand, Endeavour Oil, Barnett, Ash Spinning, K. O. Boardman, Wilmot Breeden, British Land, W. L. Pawson, Provincial Laundries, Bambers Stores, Dufay Bitumastic, Barker and Dobson and David Dixon. A put was done in Endeavour Oil, while doubles arranged included NatWest Warrants and Rustenburg Platinum.

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (42)

BRITISH FUNDS (1) Treas. Variable 1981 [illegible]
[illegible] (1) Pacific Petroleum
BUILDINGS (3) Carr (J.) Cement-Roadstone Latham (J.) [illegible]
Ralston (J.) [illegible]
[illegible] Bambers Burton Grp. Burton Grp. A NV [illegible]
Bowthorpe Brocks [illegible]
Cohen (A.) [illegible]
De Vere Hotels [illegible]
English & Overseas [illegible] Finlas Gnome Photo Provincial Laundries [illegible]
Herman Smith [illegible]
Estates & General [illegible]
Strong & Fisher [illegible]
SEET Toray [illegible]
MINES (7) South African Land Deelkraal Stilfontein Vogels [illegible]

NEW LOWS (70)

BRITISH FUNDS (51)
Exchequer 13pc 1980 Treasury 14½pc 94
[illegible] Exch. 12½pc 1994
Exch. 8¼pc 1981 Treasury 8pc 1994
[illegible]
NEWSPAPERS (1) L'pool Daily Post
OILS (1) LASMO 14pc 81-93

LONDON TRADED OPTIONS

Option	Ex'rc'se price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	900	3	16	44	—	64	—	899p
Com. Union	140	6	—	12	1	15	—	145p
Cons Gold	160	32	12	37	—	40	—	192p
Cons Gold	180	12	13	19	42	24	—	"
Cons Gold	200	½	—	8	113	13	8	"
Courtaulds	100	14½	1	—	—	—	—	114p
Courtaulds	110	4½	20	10	—	12½	17	"
GEC	300	28	24	35	—	48	—	322p
GEC	330	½	10	16	—	29	—	"
GEC	360	¼	—	6	—	16	1	"
Grand Met.	100	14½	26	16½	—	21	—	114p
Grand Met.	110	4½	13	8½	9	13	—	"
Grand Met.	120	½	15	4	9	7	16	"
ICI	330	29	10	36	—	46	—	358p
ICI	360	½	14	14	5	29	—	"
Land Secs	220	30	2	37	—	41	—	249p
Land Secs	240	10	2	21	—	27	—	"
Marks & Sp	60	25½	20	28	—	—	—	85p
Marks & Sp	80	5½	8	10½	—	13	—	"
Shell	550	14	6	36	—	42	—	561p
Totals			309		178		42	
		February		May		August		
EMI	140	18	—	17	46	20	—	159p
EMI	160	½	—	4	75	7½	—	"
EMI	180	¼	4	1	—	—	—	"
Totals			4		120			

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
A50.50	F.P.	—	82	61	Ashton Mining 50c	76					
A$125	F.P.	—	106	97	Aust. Farming A$1	103					
—	F.P.	—	30	27	Cosforth Ind. 10p	29		2.0		10.1	
155	F.P.	10/1	187	170	Harris Queensway 20p	180		7.8	3.1	6.5	7.6
—	F.P.	16/2	132	126	Hunting Assoc. Defd.	128					
98	F.P.	—	104	89	IAS Cargo Airlines	98p	−6				
—	F.P.	9/2	34	31	M. Y. Dart Defd.	31					
110	F.P.	17/1	136	118	Mill'sts L's'rships 20p	128		3.7	1.8	6.4	11.7

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price £	+ or −
§§	F.P.	16/2	109p	107p	Assoc. Dairies 9¼% Pref	107p	−1
¶	F.P.	26/1	100	89¾	Colne Valley Water 8% Red Prf 1983	100	
100p	F.P.	28/12	100½	99p	Findlay 8% Cnv. Cum. Red. Prf.	99p	
100p	F.P.	5/1	133	102	Hawley Leisure 12% Cnv. Uns. Ln. '83-85	122	−2
	F.P.	—	137	76	IAS Cargo Airlines 6% Cnv. Pref. £1	135p	−2
	F.P.	—	13½	13	Mid Kent Water 8% Pref. 1984	13	
100p	F.P.	11/1	107	100½	Rivington Reed 9½% Cnv. Cum. Red. Pref.	107	+1
97½p	F.P.	5/1	99p	97½p	Seascope 10¼% Pref.	97½p	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing price p	+ or −
60	F.P.	19/1 19/2	76	67	Associated Biscuit	76	
125	Nil	—	36pm	31pm	Baker Perkins	34pm	
17	F.P.	15/12 26/1	21	19½	Boulton (Wm.)	20	
45	F.P.	8/12 9/2	58½	47	Foster John	58½	+1½
95	F.P.	5/1 9/2	300	298	Metal Box	312	+1
65	F.P.	5/1 26/1	71	66	Millbury	70	
105	Nil	— 7/2	20pm	19pm	Neil & Spencer	19pm	
20p	Nil	—	30pm	24pm	Poseidon	29pm	
10	F.P.	22/1 23/2	15	12	Sutter Electrical Defd.	17	+½
28	F.P.	10/1 9/2	38	34	York Fine Woollen	36	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. g Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., Jan. 22, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Fri., Jan. 19 Index No.	Thurs., Jan. 18 Index No.	Wed., Jan. 17 Index No.	Tues., Jan. 16 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	232.51	−1.1	17.39	5.69	7.86	235.12	233.28	233.61	236.37	213.22
2	Building Materials (28)	207.41	−0.6	18.46	6.19	[illegible]	208.62	206.20	207.88	210.36	198.88
3	Contracting, Construction (28)	354.74	−1.0	21.83	5.09	6.58	358.49	357.01	358.09	361.53	346.82
4	Electricals (15)	540.35	−1.3	14.24	3.51	9.61	547.57	542.78	540.81	547.61	463.79
5	Engineering Contractors (13)	368.94	−0.9	17.96	6.01	7.53	372.32	368.32	369.78	371.39	301.14
6	Mechanical Engineering (72)	180.69	−1.4	18.58	6.16	7.17	183.33	182.04	182.47	184.90	167.29
8	Metals and Metal Forming (16)	161.47	−0.8	16.97	8.90	8.19	162.71	162.23	162.59	163.88	164.29
	CONSUMER GOODS										
11	(DURABLE) (53)	208.33	−1.3	16.95	5.19	7.90	211.02	209.42	209.72	212.06	195.36
12	Lt. Electronics, Radio, TV (16)	264.01	−1.2	14.34	3.96	9.88	267.12	265.39	265.48	269.12	235.50
13	Household Goods (12)	166.29	−0.5	18.16	6.86	7.56	167.18	167.00	167.57	167.46	178.51
14	Motors and Distributors (25)	119.92	−1.6	22.34	7.06	5.88	121.90	120.56	120.58	122.04	118.66
	CONSUMER GOODS										
21	(NON-DURABLE) (170)	208.88	−1.1	16.62	6.15	7.97	211.25	209.29	209.22	212.24	208.40
22	Breweries (14)	228.42	−1.3	16.56	6.58	7.71	231.46	228.64	229.64	236.29	222.58
23	Wines and Spirits (6)	294.79	−1.4	15.76	5.06	9.32	298.88	295.26	290.84	297.91	247.58
24	Entertainment, Catering (17)	272.30	−1.3	15.97	6.73	8.29	275.80	273.14	269.35	274.94	263.84
25	Food Manufacturing (19)	198.47	−1.6	19.16	5.69	6.93	201.64	199.39	199.80	201.27	198.56
26	Food Retailing (15)	228.33	−1.9	13.90	5.16	10.00	232.75	230.33	230.71	234.59	203.50
32	Newspapers, Publishing (12)	386.91	−0.8	20.79	6.32	6.79	390.01	386.67	389.40	388.43	339.24
33	Packaging and Paper (15)	134.67	−1.1	18.73	7.82	6.99	136.21	135.01	135.30	136.41	133.29
34	Stores (40)	193.48	−0.7	12.57	4.92	11.41	194.75	193.74	193.90	197.00	193.44
35	Textiles (23)	178.32	−0.9	18.08	8.41	7.15	179.95	179.89	179.64	180.82	178.38
36	Tobaccos (3)	237.63	−0.9	23.35	7.90	5.06	239.69	236.61	237.11	237.80	224.12
37	Toys and Games (6)	91.33	−0.3	24.29	7.12	4.85	91.62	90.95	90.89	91.04	104.75
41	OTHER GROUPS (99)	196.84	−0.8	15.79	6.33	8.13	198.52	197.02	197.29	199.02	192.99
42	Chemicals (19)	276.37	−0.7	16.11	6.85	8.11	278.32	275.50	275.97	278.13	256.17
43	Pharmaceutical Products (7)	240.01	−1.2	11.56	4.35	10.48	243.02	243.35	244.15	247.29	255.77
44	Office Equipment (6)	139.75	−0.8	16.78	5.58	7.06	140.95	140.26	141.23	144.36	134.67
45	Shipping (10)	429.30	−0.9	14.09	7.08	9.00	433.19	427.27	427.81	424.46	401.92
46	Miscellaneous (57)	213.36	−0.7	18.19	6.75	7.24	214.96	212.82	212.55	224.11	205.19
49	INDUSTRIAL GROUP (494)	218.55	−1.1	16.64	5.96	7.98	220.89	219.05	219.20	221.86	208.63
51	Oils (6)	503.83	−0.5	13.86	4.00	7.84	506.32	503.10	505.98	510.45	454.76
59	500 SHARE INDEX	242.28	−1.0	16.21	5.48	7.95	244.66	242.78	242.98	245.88	229.36
61	FINANCIAL GROUP (115)	169.73	−1.6	—	5.74	—	172.50	171.52	172.07	174.11	175.87
62	Banks (6)	284.83	−1.7	23.00	5.75	6.52	288.46	287.47	288.88	212.44	204.36
63	Discount Houses (10)	212.88	+0.7	—	8.31	—	211.44	208.98	214.10	214.10	225.35
64	Hire Purchase (5)	164.95	−1.5	19.39	5.30	6.62	167.41	166.26	164.61	167.98	169.32
65	Insurance (Life) (10)	133.33	−1.9	—	7.05	—	135.96	135.60	136.69	137.15	145.42
66	Insurance (Composite) (7)	119.77	−2.1	—	7.32	—	122.40	121.15	122.01	122.05	137.98
67	Insurance Brokers (10)	297.49	−2.1	18.05	5.70	8.89	303.91	304.12	313.40	314.61	321.61
68	Merchant Banks (14)	79.41	−1.1	—	6.18	—	80.31	80.34	80.61	80.52	84.36
69	Property (43)	274.32	−1.1	3.88	2.96	41.30	277.29	274.78	275.57	277.23	252.57
70	Miscellaneous (10)	112.55	−0.3	19.95	7.00	6.22	112.84	113.58	115.15	115.28	109.98
71	Investment Trusts (111)	211.07	−0.2	—	5.03	—	211.59	210.24	211.25	211.58	198.93
81	Mining Finance (4)	113.02	+0.1	16.63	6.30	7.40	112.90	110.48	110.48	109.80	95.85
91	Overseas Traders (20)	319.48	−0.3	15.65	7.38	7.99	320.49	319.13	320.81	320.62	287.33
99	ALL-SHARE INDEX (750)	223.47	−1.0	—	5.70	—	225.72	223.99	224.56	226.77	213.59

FIXED INTEREST PRICE INDICES

	British Government	Mon., Jan. 22	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	102.33	−0.20	—	0.18
2	5-15 years	107.47	−0.75	—	0.89
3	Over 15 years	112.07	−0.77	—	0.70
4	Irredeemables	119.91	−0.57	—	0.00
5	All stocks	107.09	−0.52	—	0.58

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Mon., Jan. 22	Fri., Jan. 19	Year ago (approx.)
1	Low Coupons	5 years	10.05	9.95	7.44
2		15 years	11.84	11.74	9.54
3		25 years	12.64	12.54	10.12
4	Medium Coupons	5 years	13.23	13.11	9.67
5		15 years	13.23	13.11	10.54
6		25 years	13.23	13.11	10.68
7	High Coupons	5 years	13.30	13.21	10.19
8		15 years	13.78	13.65	11.40
9		25 years	13.77	13.64	11.50
10	Irredeemables		12.91	12.23	10.82

		Mon., Jan. 22 Index No.	Mon., Jan. 22 Yield %	Fri. Jan. 19	Thur. Jan. 18	Wed. Jan. 17	Tues. Jan. 16	Mon. Jan. 15	Fri. Jan. 12	Thur. Jan. 11	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	54.45	13.63	54.56	54.56	54.64	54.72	54.72	54.73	54.75	63.67
16	Investment Trust Prefs. (15)	50.76	13.84	50.98	50.98	51.33	51.33	51.33	51.33	51.33	57.57
17	Coml. and Indl. Prefs. (20)	71.14	13.95	72.07	72.07	72.59	72.45	72.45	72.41	72.41	70.85

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

Emson & Dudley Tst. Mngmnt. Ltd.
20, Arlington St., S.W.1. 01-499 7551

Emson Dudley Tst.	68.3	73.4	.....	7.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	67.3	70.8	-0.8	4.39

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	24.1	25.9	.....	2.05
Accum. Units	28.6	30.7	.....	2.05
J. Finlay Income	36.5	39.2	.....	8.46
J. Finlay Euro. Fin.	27.7	29.8	.....	3.25
Accum. Units	32.8	35.7	.....	3.25
J. Finlay Fd. In. Tst.	28.4	30.5	.....	4.84
Accum. Units	33.0	35.5	.....	4.84

Prices on Jan. 17. Next dealing Jan. 24.

Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	69.1	75.5	+0.1	5.39
Do. Accum.	81.7	89.3	+0.2	5.39
Growth	37.2	40.0	-0.2	3.34
Do. Accum.	40.2	43.3	-0.2	3.34
Capital	26.7	28.7xd	+0.1	3.89
Do. Accum.	29.4	31.6	.....	3.89
Income	53.9	57.0	-0.3	6.90
Do. Accum.	61.8	66.5	-0.3	6.90
International	45.0	48.7	.....	2.46
Do. Accum.	48.4	52.2	.....	2.46
High Yield	63.5	68.3	-0.4	8.54
Do. Accum.	69.2	74.5	-0.4	8.54
Equity Exempt*	107.2	113.1	.....	5.57
Do. Accum.*	107.2	113.1	.....	5.57
Japan & Pacific	51.1	54.4	+0.6	0.84
Do. Accum.	51.1	54.4	+0.6	0.84

*Prices at Jan. 12. Next dealing Jan. 26.

CORAL INDEX: Close 470-475

INSURANCE BASE RATES

†Property Growth	12%
†Vanbrugh Guaranteed	11.25%

†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

J.E.T. Managers (Jersey) Ltd.
P.O. Box 98, Channel House, Jersey. 0534 73673

Jersey Extrnl. Tst.	167.0	177.0	.....	—

As at Dec. 29. Next sub. day Jan. 31.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$291.59	.....	2.40
Jardine J'pn. Fd.*	HK$415.66	.....	0.60
Jardine S.E.A.	$US17.57	.....	2.10
Jardine Flem. Int.	HK$12.02	.....	—
Intl Pac. Secs. (Inc.)	HK$13.67	.....	—
Do. (Accum.)	HK$13.86	.....	—

NAV Jan. 15. *Equivalent $US86.44. Next sub. day January 15.

Gr. St. $ Fd. Dec. 29	$US7.68		.....	—
Merc. Ebd. Jan. 17	US$10.32	10.44	.....	0.3333
MercMyMkt Jan. 22	£10.29	10.30	+0.01	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. Dec. 28	$US14.25	14.61	.....	—
CMT Ltd. Dec. 28	£14.25	14.62	.....	—
Metals Tst. Jan. 18	£12.93	13.25xd	.....	0.84
TMT Jan. 11	US$10.66	10.94	.....	—
T.M.T. Ltd. Dec. 14	£10.57	10.84	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	US$15.97	-0.06	—

NOTES

Prices do not include $ premium, except where indicated §, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1978-79 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
105¼	99⅞	Treasury 11½pc '79‡‡	99⅞	......	11.51	12.03
97	94¼	Treasury 3pc '79‡‡	94⅞	—¼	3.16	11.46
97⅞	95⅛	Electric 4¼pc '74-79	95½	—⅛	4.45	11.30
104	93⅞	Treasury 10½pc '79‡‡	98⅝	—⅛	10.62	11.96
96½	94¼	Electric 3½pc '76-79	95⅛	—¼	3.68	9.86

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	22	......	—	—
41	33	Do. 5pc Pref.	40	......	—	—
98	98	Chilean Mixed	98	......	—	13.18
22	6	Chinese 4½pc 1898	19	......	—	—
35	4½	Do. 5pc 1912	35	......	—	—
20½	4½	Do. 5pc 1925 Boxer	17	—1	—	—
415	360	German Yng. 4½pc	415	......	4½	—

BONDS & RAILS—Cont.

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
54	46	Greek 7pc Ass.	50	......	3½	17.20
51	46	Do 6pc 28 Stab. Ass.	49	......	6	16.24
44	40	Do 4pc Mixed Ass.	40xd	......	4	15.13
55	42	Hung. '24 Ass.	42	......	4½	16.87
77	65	Iceland 6½pc '83-88	68	......	—	12.08
88	79½	Ireland 7¼pc '81-83	79½xd	—½	7½	13.75
91	75¾	Do 9¾pc '91-96	75¾	—¼	9¾	14.01
425	265	Japan 4pc '10 Ass	390	......	—	—
87	67	Do 6pc '83-88	67xd	......	6	12.20
160	135	Peru Ass. 3pc	135	......	3	2.25
75p	75p	S.G.I. 6½pc 1980	75pxd	......	6½	8.67
$99	$94½	Turin 9pc 1991	$94½	......	9	9.53
DM91	DM81	Turin 6½pc 1984	DM91	......	6½	8.45
97	94	Uruguay 3½pc	97	......	3½	3.80

U.S. $ & DM prices exclude Inv. $ premium

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

1978-79 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]								
199	157	Gerrard Natnl.	187	......	g9.12	—	7.3	—
59	37	Gibbs (A.)	49	+2	2.23	—	6.8	—
255	195	Gillett Bros. £1	220	......	15.41	—	10.5	—
29	19	Goode D'l Mry. 5p	19½	......	0.13	—	1.0	—
142	96	Grindlays	130	—1	2.79	7.1	3.2	4.6
130	93	Guinness Peat	116	—4	h5.15	—	6.6	—
217	155	Hambros	178	—2	†9.76	—	8.2	—
100	81	Hill Samuel	83	......	†4.97	—	9.0	—
600	75	Do. Warrants	75	—5	—	—	—	—
360	203	Hong Shng. $2.50	285	—2	hQ59c	—	2.4	—
69	52	Jessel Toynbee	63	......	g3.65	—	8.6	—
215	150	Joseph (Leo) £1	155	......	8.74	—	8.4	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

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[illegible]

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[illegible]

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PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

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(For Shipbuilders see Engineering)

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TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

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FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex 25c	13	......	—	—	—
156	64	Bougainville 50 Toea	155	......	†Q8c	1.4	3.2
131	63	BH South 50c	129	-2	—	—	—
820	150	Central Pacific	400	-25	—	—	—
336	148	Conzinc Riotinto 50c	310	......	‡Q10c	2.2	‡
32	39	Cultus Pacific N.L.	28	-1	—	—	—
27	9½	Endeavour 20c	18	-1½	—	—	—
75	45	G.M. Kalgoorlie $1	70	-1	—	—	—
68	18	Haoma Gold N.L.	37	......	—	—	—
158	81	Hamptn Areas 5p	150xd	......	♦t3.55	2.0	3.5
40	10	Metals Ex. 50c	31	-1	—	—	—
243	125	M.I.M. Hldgs. 50c	243	+2	Q9c	1.7	2.3
22	10	Minefields Expl.	15	......	—	—	—
57	10	Mount Lyell 25c	57	......	—	—	—
56	12	Newmetal 20c	30	......	—	—	—
143	79	North B. Hill50c	124	-5	Q8c	1.3	4.0
16½	8½	Nth. Kalgurli	12	......	—	—	—
50	12	Nth. West Mining	30	......	—	—	—
178	115	Oakbridge $A1	134	......	Q12c	1.9	9.7
42	10	Oilmin N. L.	30	+2	—	—	—
78	30	Pacific Copper	78	+2	—	—	—
£15½	725	Pancont'l 25c	850	-25	—	—	—
40	12	Paringa M&Ex.5p	19½	......	—	—	—
570	310	Peko-Wallsend 50c	500	-6	Q15c	♦	1.9
300	50	Southern Pacific	170	-5	—	—	—
164	84	Westn. Mining 50c	161	-2	Q3c	0.7	1.2
100	35	Whim Creek 20c	65	......	—	—	—

TINS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	23	......	2.81	1.3	18.2
420	240	Ayer Hitam $M1	415	+10	Q300c	0.5	15.5
60	45	Beralt Tin	53	+1	4.0	♦	11.3
305	190	Berjuntai $M1	245	+5	†Q110c	1.0	10.6
185	111	Geevor	150	......	H5.57	5.8	5.5
11	8½	Gold & Base 12½p	9½	......	—	—	—
350	220	Gopeng Cons.	315	+5	18.0	♦	8.7
320	130	Hongkong	295	......	12.5	♦	6.3
93	64	Idris 10p	65	......	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting $M0.50	76	+2	†Q12.5c	2.1	3.5
240	133	Killinghall $M1	240	......	—	—	—
470	280	Malay Dredging $M1	420	+10	Q175c	0.7	9.0
78	40	ΔPahang	46	+2	—	—	—
78	50	Pengkalen 10p	63	......	4.5	♦	11.0
270	165	Petaling $M1	225	-5	Q120c	♦	11.5
87	49	Saint Piran	74	+1	†2.03	6.5	4.1
70	47	South Crofty 10p	54	+1	†4.19	2.0	11.6
245	140	South Kinta $M0.50	190	-5	†tQ145c	0.6	16.4
350	230	Sthn Malayan $M1	350	+25	Q190c	1.0	11.7
240	134	Sungei Besi $M1	235	+10	mQ65c	5.3	5.9
85	55	Supreme Corp. $M1	70	......	ZQ10c	—	3.1
103	84	Tanjong 15p	100	......	6.60	0.8	9.8
100	74	Tongkah Hrbr. $M1	100	......	Q35.82%	0.7	7.7
270	148	Tronoh $M1	235	-5	‡Q88c	1.6	‡

COPPER

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	86	......	—	—	—

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
72	35	Barymin	72	+5	—	—	—
17	9	Burma Mines 17½p	12	+½	—	—	—
300	165	Cons. Murch. 10c	250	+10	—	—	—
465	245	Northgate C$1	395	+5	—	—	—
268	164	R.T.Z.	242	-2	9.5	2.8	5.4
90	30	Sabina Inds. C$1	42	......	—	—	—
£12	687	Tara Expln. $1	825	......	—	—	—
210	120	Yukon Cons. C$1	205	+2	Q7c	2.9	1.6

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$11⅞	+½	Q170c	1.8	16.5
$11¾	830c	East Drie R1	985c	+35	†Q78c	1.7	9.1
585c	330c	East Rand Prp. R1	360c	......	—	—	—
$28⅜	$16½	F.S. Geduld 50c	$21⅛	+¼	Q315c	♦	17.2
$15⅛	975c	Pres. Brand 50c	$12⅞	+⅜	Q150c	♦	13.4
$13⅝	900c	St. Helena R1	$11⅞	+¼	Q190c	♦	18.4
470c	313c	Stilfontein 50c	460c	+10	†Q22c	2.3	5.5
$21	$16¼	Vaal Reefs 50c	$21	+½	Q115c	3.3	6.3
$37	$25	West Drie R1	$30½	+¼	Q335c	1.7	14.6
$31¼	$19	West Hldgs. 50c	$25	+½	Q415c	♦	19.1
$12½	895c	Western Deep R2	$12¼	+⅛	Q82.5c	2.4	7.8

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- φ Excluding a final dividend declaration.
- ♦ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xk ex capital distribution.

"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or —
Albany Inv. 20p	26	......
Ash Spinning	104	-5
Bertam	14	......
Bdg'wtr. Est. 50p	325	-5
Clover Croft	28	......
Craig & Rose £1	615	......
Dyson (R. A.) A	35	......
Ellis & McHdy	69	......
Evered	27	......
Fife Forge	52	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	135	-5
Higsons Brew	70	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	234	+2
Pearce (C. H.)	198	......
Peel Mills	22½	......
Sheffield Brick	51	......
Sheff. Refrshmt	70	......
Sindall (Wm.)	120	......
IRISH		
Conv. 9% '80/82	£89⅜	-⅛
Alliance Gas	111	+6
Arnott	370	......
Carroll (P.J.)	90	......
Clondalkin	99	+3
Concrete Prods.	140xd	-5
Heiton (Hldgs.)	48	......
Ins. Corp.	165	......
Irish Ropes	102	......
Jacob	50	......
T.M.G.	195	+10
Unidare	85	......

OPTIONS

3-month Call Rates

Stock	Rate
Industrials	
A. Brew	6½
A.P. Cement	18
B.S.R.	9
Babcock	11
Barclays Bank	25
Beecham	35
Boots	15
Bowaters	16
B.A.T.	24
British Oxygen	6
Brown (J.)	20
Burton 'A'	12
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	15
Dunlop	7
Eagle Star	11
E.M.I.	14
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	9
G.U.S. 'A'	20
Guardian	18
G.K.N.	22
Hawker Sidd	20
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	20
Inveresk	8
KCA	3
Ladbroke	17
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	4
London Brick	5
Lonrho	5
Lucas Inds.	25
Lyons (J.)	10
"Mams"	7
Mrks. & Spncr	10
Midland Bank	25
N.E.I.	12
Nat. West. Bank	22
Do. Warrants	10
P & O Dfd.	8
Plessey	8
R.H.M.	5
Rank Org. 'A'	18
Reed Intnl.	12
Spillers	3
Tesco	4
Thorn	22
Trust Houses	15
Tube Invest.	30
Unilever	35
Utd. Drapery	7½
Vickers	15
Woolworths	5
Property	
Brit. Land	3¾
Cap. Counties	4½
E.P.	5
Intreuropean	4
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼
Oils	
Brit. Petroleum	45
Burmah Oil	5
Charterhall	3
Shell	28
Ultramar	20
Mines	
Charter Cons.	12
Cons. Gold	14
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES
Tuesday January 23 1979

ASLEF halts trains again on Thursday

BY PHILIP BASSETT, LABOUR STAFF

THE TRAIN-DRIVERS' union, ASLEF, yesterday called a further one-day national strike for Thursday after Sir Peter Parker, chairman of British Rail, failed to win agreement on a resumption of talks aimed at settling the differences between the rail unions.

Mr. Len Murray, TUC general secretary, called in all three rail unions last night after he had met Mr. Sid Weighell, general secretary of the National Union of Railwaymen, and asked him to do all he could to get negotiations reopened.

All British Rail services were progressively shut down from 10 o'clock last night for today's strike—the third national strike in eight days. The ASLEF executive instructed its London Transport members who had threatened to take sympathy action today to work normally, though some unofficial action may take place.

Customer relations

Sir Peter, in a letter to the three rail unions, stressed the damage the series of strikes was doing to British Rail's customer relations, and its possible effect on future investment. The British Railways Board estimates that each one-day strike costs £5m.

Sir Peter attempted to reconcile the divisions between ASLEF and the NUR over the board's productivity proposals, which the NUR claims may mean the loss of up to 20,000 rail jobs.

He called the unions to negotiations on their annual pay claim, which would be followed by talks, firstly on footplate workers' productivity, then on productivity of all railway workers.

ASLEF refuses to open talks on the annual pay claim until progress is made on its separate claim for 10 per cent special responsibility payments. The NUR refuses to take part in productivity talks which involve loss of jobs.

Sir Peter's proposals made it clear, though, that both unions' claims would be covered by both particular and across-the-board productivity proposals being discussed.

The NUR, which is prepared to discuss some sort of extension to the present productivity scheme, agreed to the talks, but the call was rejected by ASLEF. The talks are still on the table for today.

Mr. Don Pullen, ASLEF assistant general secretary, said after the union's executive meeting that a further strike would be called for Thursday.

Call to Tube men

Speaking of the decision by London Transport Branch officials to take industrial action in sympathy with the national strike, Mr. Pullen said that the union had no official complaint from any branch, and that it was not in dispute with London Transport.

ASLEF has about half the drivers and guards on the Underground.

The union is instructing its members on the Tubes not to strike today, but some more militant members may act unofficially.

London Transport Executive wrote yesterday to Mr. Ray Buckton, ASLEF general secretary, hoping that the union would try to prevent "unconstitutional action" by London Transport ASLEF members.

Big clearing banks to change accounting rules on bad debts

BY MICHAEL LAFFERTY

THE BIG London clearing banks are to abandon the special "Leach-Lawson" accounting rules which have been observed in bank accounts for almost a decade.

At the same time the clearers will be disclosing bad debt write-offs and provisions.

The new accounting policies will be applied for the first time in the clearers' 1978 accounts, to be published over the next two months.

This means that the clearing banks will be following more or less the same accounting rules as other commercial and industrial companies.

The clearing banks have been under increasing pressure in the past few years to disclose more about their bad debt charges and provisions. A top level committee was formed to consider the whole question of bank accounting.

Once the decision to disclose bad debts was taken, the clearers are believed to have quickly concluded that there was no point in continuing with "Leach-Lawson."

Under "Leach-Lawson" it has been the practice for the banks to make an undisclosed charge against profits based on the average experience of bad debts during the current and four preceding years.

This averaging will now be discontinued. A similar method of treating investment gains and losses will also be stopped.

The clearers say that as far as bad debts are concerned the change of accounting policy will have no material effect on profits. The same may not be true of the new method for treating investment gains and losses.

Another change of accounting policy announced yesterday by the clearers concerns deferred taxation. In future the banks will follow the new accounting standard, SSAP 15, and provide only for those taxes actually expected to be paid in the forseeable future.

In taking this decision the clearers are thought to have rejected the argument of their own finance house subsidiaries that full deferred tax accounting was essential to finance house leasing activities.

Banking arrangements criticised, Page 6

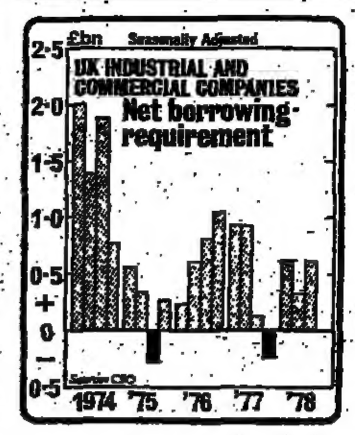
THE LEX COLUMN

The Governor intervenes

Last night the Governor of the Bank of England told an increasingly demoralised gilt-edged market what it wanted to hear: that there must be no loss of resolve in sticking to monetary targets. But the City is bound to wonder whether Mr. Richardson is really leading his supporters in a victory-charge, or is simply setting up a last, beleaguered rallying point. What had upset the gilt-edged market in the morning was the Government's retreat on sanctions against the road haulage employers: the dropping of the threatened Price Commission curbs has left the way open to a highly inflationary settlement. Across the board, the Government's resistance to pay demands has seemed to be weakening. Growing pessimism in the City caused falls of up to ¾ of a point in long gilts yesterday, with the highest gross redemption yields touching 14 per cent for the first time in almost two years. Short rates were also rising in the money markets, and today's rate at the weekly local authority yearly bond issue is likely to be up from 12 to 12¾ per cent.

Mr. Joel Barnett, too, yesterday emphasised the Government's monetary commitments. But the fact that he went on to a lengthy justification of the official policy of pre-empting the flow of institutional savings hardly suggests any fundamental shift in a fiscal policy he claimed to be "responsible." Certainly the long end of the gilt-edged market will derive some comfort from yesterday's speeches, for a tight money growth policy will allow a pay-off in gilts by the time the next recession comes around (and that may not be very long). But in the meantime there are doubts about the ability of a weak, end of term Government to apply what Mr. Gordon Richardson described as "appropriate fiscal restraint." As usual, the burden of adjustment is likely to be borne in unequal proportion by the financial markets. How severe the squeeze will be will now depend on the extent to which the trade unions, as well as the City, are impressed by the monetary threat.

Index fell 5.8 to 473.1



Strong currencies

The dollar is standing up surprisingly well to events which not long ago might have sent it reeling. The Bundesbank's tightening of German monetary policy has been followed by a liberalisation of Japanese exchange controls which allows non-residents to buy all but the shortest-dated yen bonds. Reserve requirements on external yen accounts have already been cut. Before the exchange control barriers were erected last March more than $1.5bn a month was moving into Japanese bonds and free yen accounts: yesterday the dollar/yen rate was quietly steady.

Taken together these measures suggest that at least two of the central banks that had to bear the brunt of the dollar's weakness are confident enough of its recovery to set about repairing the damage to their own economies. To the familiar German worries of the inflationary impact of excess money supply growth resulting from foreign exchange intervention the Japanese add concern to preserve the benefits of a hard currency. Now that the yen has fallen sufficiently far against the dollar to remove the worst fears of lost competitive edge, the Japanese may worry that it has fallen too far

When Australia converted its Y50bn bonds into dollars last month the Bank of Japan apparently preferred to meet the selling pressure on the yen from its reserves, keeping down the money supply at the same time. Last week's decision to abandon "export restraint" shows the Japanes authorities, having seen the yen weaken in response to a falling trade surplus, are calling it a day.

Bank disclosure

The clearing banks' decision to follow the U.S. banks' example and disclose their provisions for bad and doubtful debts and the gains/losses on securities transactions is very welcome. The former disclosure provide both investors and depositors with a useful yardstick against which they can measure the efficiency/prudence over the longer term of a bank's lending policies.

However, like all new tools, investors have to learn how to use them. Unfortunately, interpretation of the figures will be made doubly difficult next month because the banks are apparently not giving comparative figures for 1977 and are not synchronising their results for the same day (as they did when they took the first step towards disclosing "true" profits in 1970). Consequently, when Lloyds Bank announces its results on February 16 it will be virtually impossible to draw any sensible conclusions about the bank's lending policies. Lloyds' total advances probably now stand at around £10bn. In the past it was generally reckoned that banks put aside between 1-1½ per cent of advances in the form of a general reserve. On top of that there will be specific provisions. So Lloyds' provisisons could be seen to total anywhere between £100m or £300m and the stock market would be none the wiser.

If Lloyd's provisions look on the high side this is not to say that its loan portfolio is any worse than National Westminster's, for example. It might just be acting more prudently. At the end of the day banks still have plenty of discretion about the timing of write-offs and until a run of annual figures has been established too much attention should not be placed on one year's figure. Of course, the banks could help interpretation by giving historical figures but that would cause too many red faces.

In the short term, the main interest in the banks' new disclosure policy will centre on their attitude to deferred tax. They have all agreed in principle to adopt SSAP 15 which could boost their earnings substantially and bolster their capital base.

Alexanders

Alexanders Discount made a trading loss in 1978, but its accounting privileges are such that it has been able to reach into its hidden reserves and pull out enough to show a net profit of £200,000—still nowhere near enough to cover a dividend up by 10 per cent. Apparently Alexanders would not put a loss in its annual report unless, as in 1972, its true losses were horrendous. Meanwhile it is paying a good dividend—on which the shares yield 10 per cent—on the basis that the interest rates which are now going up must one day come very profitably down again.

Hauliers stand firm on 15% pay offer

BY NICK GARNETT, LABOUR STAFF

EMPLOYERS in the lorry drivers dispute decided yesterday to take a tough stance over the strikers claim for a 23 per cent pay rise.

Negotiations between employers and unions were continuing late last night under the auspices of the Advisory, Conciliation and Arbitration Service, but were proving extremely difficult.

The Transport and General Workers' Union was thought to have refused to move from its full claim for a top rate of £65 for 40 hours.

But the committee of regional chairmen of the Road Haulage Association is understood to have taken the view that no improvement, or only a marginal one, could be made in the 15 per cent offer.

Yesterday's talks, which followed more than seven hours of negotiation on Sunday, also under the ACAS umbrella, involved Mr. Moss Evans, general secretary of the Transport Workers and senior officials of the costs themselves, the United Road Transport Union and the road hauliers.

The Government's decision not to use its powers under the Prices Act to limit rates in the haulage industry gave the association some leeway to improve its pay proposals, which offer a top rate of £60.

Some regional chairmen would probably be prepared to table offers of up to 17 or 20 per cent.

The Freight Transport Association, representing transport users, said yesterday that industry would resist any attempt by road haulage operators to pass on the extra costs of a wage settlement that was greatly in excess of the 5 per cent pay limit.

Algerian gas plant given $1bn in French credits

BY TERRY DODSWORTH AND FRANCIS GHILES

A $1.05bn (£525m) financial package is being arranged for the state Algerian oil and gas company, Sonatrach, by a group of French banks and the French export credits organisation, Coface.

The proceeds are earmarked for building the third gas liquefaction plant LNG3 at Arzew, Western Algeria.

A FFr 356m (£44.5m) contract for natural gas liquefying equipment for the plant has already been placed with Technip, the French engineering group. This is the first major contract won by France in Algeria in over two years. Relations between the two have been poor since 1975, leading Algeria to diversify its orders, with most large contracts going to U.S., Japanese, German and Italian companies.

The Technip contract does not necessarily herald an improvement in political relations between the two countries.

However, relations with France may be reviewed following the election next month of the sucessor to the late President Honari Boumedienne.

About $605m of the package will be inthe form of buyers credits tied to the purchase of French equipment. A rate of about 8 per cent is being charged.

The balance is made up by a $400m 10-year commercial credit and other terms include inter-bank rate and a commitment fee of ½ per cent.

Target

Banque Nationale de Paris is leading the buyers' credit while the commercial credit is being arranged by BNP, Paribas, Credit Lyonnais, Union Mediterraneene de Banques and Banque Intercontinentale Arabe. One leading U.S. bank is also expected to join the group shortly.

Technip will, with SNAM-Progetti France, a subsidiary of ENI, the state Italian group, be charged with the engineering and manufacture of the cooling equipment for the plant.

Under the general direction of Foster Wheeler, the American contractors, the Arzew plant is due for completion in 1982. It will be the largest in the world, with an annual target treatment capacity of 15.5bn cubic metres of gas a year.

Industry's deficit up to £1.8bn

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRY increased profits last year more slowly than its increase in spending on fixed assets and stocks of goods and raw materials.

This is shown by the appropriation accounts of industrial and commercial companies and by a new measure of their external finance in the third quarter, published yesterday by the Central Statistical Office.

Company receipts in the six months to the end of September totalled £4.86bn after deducting taxes, dividends and finance for the increase in value of stocks. This was £210m more than in the previous six months, seasonally adjusted.

On the same comparison, however, expenditure by industrial and commercial companies on fixed assets and physical stocks rose by £640m to £6.67bn.

The result was a rise in industry's financial deficit of £457m, to £1.8bn, between the two half-years.

Between the second and third quarters, the deficit fell from £1.07bn to £732m as a result of a rise in profits and a small decline in stockbuilding.

Most City analysts believe that the deficit will remain high and possibly rise this year, particularly as the amount required to finance any increase in the value of stocks is expected to be more than last year.

The financial deficit last year was at its highest since the liquidity squeeze of 1974. But industry was, and is, healthier overall than four years ago since gearing, measured by relative borrowing, is significantly lower.

A slightly less gloom-inducing underlying position is indicated by a new official measure known as the net borrowing requirement. It measures companies' need for external finance: all identified borrowing by industrial and commercial companies from other sectors of the economy (except import and other credit), less the acquisition of liquid and certain official assets.

The Central Statistical Office considers that this balance more closely reflects companies' cash flow than the long-standing measure of the financial deficit.

Industry's net borrowing requirement was £940m in the six months to September, compared with £390m in the previous half-year and a total of £1.58bn in 1977.

It was financed by new borrowing of £2.1bn in the six months to September, of which about £500m was raised by capital issues and the rest borrowed from UK banks. Companies added £1.1bn to their holdings of liquid assets, mainly bank deposits.

Interpretation of the new measure is made more difficult by the inclusion of large unidentified transactions, amounting to £2bn in the past six months alone.

Weather

UK TODAY

CLOUDY with more rain, sleet or snow.

London, S.E., Cent. S. England
Cloudy. Some rain or sleet. Max. 3C (37F).

E. Anglia, Midlands, E. Coast, S. Wales
Cloudy. Some rain or sleet. Max. 1C (34F).

Channel Isles, W. Country
Occasional rain or sleet. Wind moderate.

N. Wales, N.W. England, Lakes, Isle of Man, Argyll, Ulster, Cent. Scotland
Dry. Some bright intervals. Max. 4C (39F).

N.E. England, Scotland
Wintry showers. Max. 3C (37F).

Scottish Highlands, Orkney, Shetland
Sunny intervals. Occasional wintry showers. Max. 3C (37F).

● Outlook: Cold with further sleet or snow. Widespread frost and fog patches.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amdm.	Sn	−6	21	Madrid	C	10	50
Athens	C	10	50	M'chstr	Sn	0	32
Bahrain	C	21	70	Melbne.	S	21	70
Barclna.	C	14	57	Milan	R	2	36
Beirut	F	13	55	Mntreal.	C	−4	25
Belfast	C	3	37	Moscow	S	−12	10
Belgrd.	C	2	36	Munich	C	−1	30
Berlin	Sn	−7	19	Newcstl.	C	1	34
Bmghm.	C	−1	30	N. York	C	3	37
Brussels	C	−2	28	Oslo	F	−5	23
B. A'res	S	28	82	Paris	C	−2	28
Cairo	S	18	64	Perth	S	32	90
Cardiff	C	1	34	Prague	C	−3	27
Chicago	S	−7	19	Reykjvk.	S	−5	23
Cologne	C	−4	25	Rio J'o	R	22	72
Cophn.	Sn	−4	25	Rome	C	14	57
Dublin	C	3	37	Singapr.	C	29	83
Ednbgh.	C	2	36	Stckhm.	F	−4	25
Frankft.	C	−3	27	Strasbg.	C	−1	30
Geneva	C	3	37	Sydney	R	20	68
Glasgow	C	2	36	Tehran	R	4	40
Helsinki	Sn	−7	19	Tokyo	S	7	45
H. Kong	C	18	64	Toronto	C	−4	25
Jo'burg	C	22	72	Vienna	D	−2	28
Lisbon	C	14	57	Warsaw	C	−9	16
London	D	1	34	Zurich	C	1	34
Luxmbg.	C	−3	27				

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	18	64	Jersey	R	3	37
Algiers	R	16	61	L. Pims.	C	18	64
Biarritz	R	12	54	Locarno	C	3	37
Bordx.	C	10	50	Majorca	C	16	61
Boulgn.	Fg	−1	30	Malaga	F	18	64
Cape T.	S	24	74	Malta	C	14	57
Corfu	S	13	55	Nairobi	S	23	73
Dbrvnk	F	12	54	Naples	C	13	55
Faro	F	15	59	Nice	R	11	52
Florence	R	8	46	Nicosia	S	14	57
Funchal	F	17	63	Oporto	C	12	54
Gibrltr.	C	16	61	Rhodes	S	13	55
G'nsey	R	3	37	Salzbrg.	C	0	32
Innsbrk.	C	2	36	Tenerife	F	14	57
Invrns.	Fg	−3	27	Tunis	C	17	63
I.o.Man	C	3	37	Valencia	C	13	55
Istnbl.	Sn	2	36	Venice	C	4	39

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. D—Drizzle.

Continued from Page 1

Public

emergency services, and reminding the ambulancemen that anyone who did not was in "clear breach" of union policy.

Angry strikers at a rally in Central Hall, Westminster, shouted down trade union leaders in a vivid demonstration of the kind of militancy expected to hit public services nationally from today.

General secretaries and other speakers from the four unions involved abandoned the platform after being drowned by prolonged calls for all-out strike action.

About 3,000 public-service demonstrators were in the hall after marching with thousands of other workers from all over the country from Hyde Park to Parliament, where they lobbied MPs.

Mr. Alan Fisher, general secretary of the National Union of Public Employees, which is campaigning for a £60 minimum wage, said that he would accept a public inquiry, but to do its job it must tell public-service workers not only what money they could expect, but also what cash was on the table now.

Continued from Page 1

Carter rejects general tax cut

He claimed that his budget had spread the burden "fairly and objectively," but that the necessary spending restraint meant that in some areas "the Government will simply not be able to do as much as it has in the past."

Reducing Government spending as a proportion of national economic activity, the budget message maintains, is a necessary tool in fighting inflation. The fiscal 1980 projections would bring that share down to 21.2 per cent, compared with 22.1 per cent in the current year, and to below 21 per cent—a long-cherished goal of the President —in the following year.

In fact the budget forecasts a small Federal surplus in the 1981 fiscal year, but that is based on no change in fiscal policies. Given both economic and political considerations, that is a very large assumption.

It is freely acknowledged that the budget could face tough going in Congress, with conservatives arguing that the deficit is still too high and that taxes should be cut and with liberals claiming that it is wrong to increase defence spending at the expense of social services.

The likely leader of the latter cause, Senator Edward Kennedy of Massachusetts, has given vent to what will be a vocal argument.

He said that the "budget asks the poor, the black, the sick, the young, the cities and the unemployed to bear a disproportionate share of the billions of dollars of reductions in Federal spending that are necessary if the target, which I support, of a budget deficit of below $30bn is to be reached."

Both democratic leaders in Congress, Senator Robert Byrd and Speaker "Tip" O'Neill, who will be guiding the budget through Capitol Hill, expressed reservations about the social cuts and predicted changes would be made in Congress. But, like Senator Kennedy, both endorsed the overall deficit target.

Certainly, the domestic proposals are bound to cause great controversy. Though Mr. Carter said he had found new money for the neediest and for job creation, a number of socially popular programmes have been pruned.

These include summer jobs schemes for the young, social security benefits for widows, subsidised school lunches, training for nurses and smaller grants to local authorities under the counter-cyclical revenue sharing plan.

Micheal Donne, Aerospace Correspondent writes: President Carter confirms that further funds for the AV8-B advanced version of the Harrier vertical take off fighter had been cut from the budget but British Aerospace still hopes that the U.S. Government will eventually acquire the aircraft.

Work on the AV8-B will continue, both at McDonnell Douglas in the U.S. and in the UK under funds already granted in the 1978-79 U.S. defence budget.

British Aerospace is hoping that in the customary political debates on the budget in Washington in the next few weeks, some part of the cancelled funds will be restored, at least to enable the AV8-B to get sufficiently far along the development phase to prove its capability. So far, one prototype has flown.

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